



2010 to

2011

Annual Report

CITY of MATLOSANA

City of Matlosana - Annual Report 2010/11

This 2010/11 Annual Report was produced from the strategic unit: PMS

It reviews all performance related activities in accordance with the requirements of the Local government: Municipal systems Amendment Act, 2003 (Act 44 of 2003) and the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) for the period 1 July 2010 to 30 June 2011.

Information contained in the report was provided by the various directorates. Every effort was made to ensure that facts are correct.

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FOREWORD BY THE EXECUTIVE MAYOR

The responsibility and obligation that we have undertaken in terms of service delivery agreements after the local government elections of May 2011, compels us to report back on the 2010/2011 performance. In the report we must indicate whether as an institution, we have made positive strides in meeting targets or there is a need to put more efforts.

Through this report we, as Council, reflect on the year's activities and report the successes gained as well as the shortcomings that need to be addressed. An accountable, democratic and strong Council will enable our municipality to achieve our goals and key objective of becoming one of the top 5 best performing municipalities in the country. This report seeks to confirm to our communities and stakeholders, that in terms of service delivery, ***we are not where we want to be, but we are not where we were before.***




Our term of office began a few days before the end of the financial year under review, i.e. 2010/11. As such we are obliged in terms of the laws governing the local sphere of government to inherit positive and negative service delivery activities that took place during the financial year, and present a comprehensive report.

The positive and negative activities of this reporting period might not have been of our own creation, but because as the new Council, we are committed to ensuring accountability and transparency in the affairs of the municipality, we saw it befitting to take the responsibility of presenting the 2010/11 Annual Report as required by the Local Government: Municipal Systems Act, 32 of 2000 (Section 46) and Local Government: Municipal Finance Management Act, 56 of 2003 (Section 88).

Our communities have cast their votes and mandated us, as their representatives, to work with increased determination to tackle the challenges facing our municipality in order to ensure that we re-establish ourselves.

The community we serve cannot continue to live under the conditions of abject poverty whilst as a municipality, with the limited resources at our disposal, cannot respond to these challenges.

As we continue to embrace the notion of being amongst the 5 leading municipalities by 2016, let us not deter from implementing measures that will respond to our service delivery obligations in a manner befitting this municipality and the community.



CLLR MK KHAUOE
EXECUTIVE MAYOR

OVERVIEW OF THE ACTING MUNICIPAL MANAGER

In presenting this Annual Report of the City of Matlosana we will account for the work that was done for the period under review.

Experience has taught us that every year brings its own highlights, challenges and difficulties.

As the Auditor General was not able to obtain sufficient audit evidence to prove a basis for an audit opinion, Council unfortunately once again received a disclaimer.

The provision of infrastructure is becoming more difficult and costly. The revenue generation and collection from services provided by the municipality have not been optimal in order to enable reinvestment in operations and maintenance. The skills shortage is placing a huge pressure on our service delivery capacity. There is an urgent need to focus on the governance and decision making and financial management to deal with budgeting, tariff setting, revenue collection, customer services, operations and maintenance planning and infrastructure asset management.

However, despite the aforementioned the municipality can look at the following achievements and highlights during the financial year:-

- R 57,8 million invested into infrastructure improvement of which 84,35% was spend.
- Blue drop award for drinking water quality.
- Green drop award for waste water treatment plants.
- 1,017 long-term job opportunities created.
- Electricity distribution losses reduced with 8, 49%.
- Water distribution losses reduced with 13, 34%.

In rural areas the municipality provides 73% of households with access to basic water, 100% of households with basic sanitation and basic refuse removal, as well as 20 litres of paraffin (free basic alternative energy).

The municipality achieved to provide 70 kWh electricity, 10 kl water, refuse removal and sanitation free of charge to all indigent households, whilst all other households receive the first 50 kWh electricity and 6 kl water free of charge.

In closing, I would like to sincerely express my gratitude to the dedicated employees of Matlosana who continue to strive to serve the community. Without them the achievements mentioned above could not have been accomplished.



A handwritten signature in black ink, appearing to read 'SG Mabuda', written over a horizontal line.

SG MABUDA
ACTING MUNICIPAL MANAGER



1

Highlights of the 2010/11 Financial Year

**R57,8 million
invested into
infrastructure
improvement
(MIG)**



**1,017 long-term job
opportunities created**



**100% of
households with
access to refuse
removal**

**100% of urban
and rural
households with
access to
sanitation**



**Successful Operation Patella campaign
(Patella - Pay Up!)**



98,87% of urban households with access to electricity

100% of urban households with access to water

Blue Drop Award for drinking water quality



Green Drop Award for waste water treatment plants



All indigent households receive 70 Kwh Electricity, 10 kl Water and 20 litres of paraffin (free basic alternative energy) free of charge

NOTES

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Overview of the City of Matlosana

About the City of Matlosana

The greater city area of Klerksdorp is situated on the N12 Treasure Corridor (SDI) linking the municipal area with Gauteng province in the East and the Northern Cape in the South West, thus between Potchefstroom and Wolmaransstad with a population of more than 404,732 inhabitants (Census Statistics South Africa 2007). The City of Matlosana was previously known as Klerksdorp (KOSH area) and today is fondly referred to as the “City of People on the Move”.

Dating to before the gold rush of 1885, Matlosana has developed into a modern, stable city that boasts of a vibrant economy pillared by a dynamic mining and agricultural industry which is on record to boost more than 25% of the province’s Gross Domestic Product (GDP).

The city is economically viable and has an abundance of government-owned land which is currently in need of bulk infrastructure to stimulate effective development projects.

The city’s air, road and rail infrastructure are ideally poised to become connection hubs which can alleviate major congestion problems currently being experienced in larger cities in South Africa as well as cities in other African states.

Our Fresh Produce Market is one of the largest in the country and open to business and partnerships. A capital injection along with reliable business partners will enable it to become the largest Fresh Produce Market in South Africa.

The City of Matlosana is rich in heritage sites and has a number of tourism and leisure gems that are owned by the government, just waiting for suitable business partners.

We are highly aware that sport has an economic spin-off for any city. The City of Matlosana attracts many national and international events in numerous sporting codes and has a turnaround strategy for government-owned sporting and tourism facilities. Once again, these facilities just need the right business partner.



Mining activities in the Matlosana Area

One of the sport stadiums that was nominated as a candidate stadium for the 2010 Soccer World Cup is now a government asset and could very well be a perfect business opportunity if developed as a world class venue offering retail, leisure and sport.

The City of Matlosana is focused on poverty alleviation and job creation and is open for business.

The N12 development route was identified by the municipality as a flagship project for golden opportunities in the following sectors: Housing, business, industrial, heritage, mining, tourism, sport as well as recreation.

Agriculture is one of the mainstays of Matlosana, which proudly boasts a rich region with a relatively high agricultural potential. The emphasis is focused on field crops, such as maize, wheat, sorghum, sunflower, etc. (climatically suitable with a 70% probability of production success). The sector is composed of small-scale subsistence farming along with supporters in the commercial environment.

One of the largest gold mines in the world, Great Noligwa (AngloGold Ashanti) is a major role-player in the local mining sector. Matlosana mines produce roughly a quarter (27%) of South Africa's total gold output.

Matlosana has five industrial areas comprising industries of various sizes and diversity. Among these are food, dairy, steel-processing plants, furniture manufacturers and timber merchants.

Finance is the third largest contributor to economic production in the North West, attributed to the number of large banking and insurance institutions available in Matlosana. Some 41 financial institutions serve extensive commercial and industrial developments here.

Coordinates:  26°52'S 26°40'E 26.867°S 26.667°E

A city with a vision

As an organization with the primary responsibility for ensuring that the Matlosana area is able to realize its full potential in every aspect, the vision and mission of the City of Matlosana is as follows:-

Vision: Matlosana is a well run city, where wealth attraction, economic growth and quality municipal service delivery place it amongst the 5 leading local municipalities by 2016.

Mission: Excellence in conducting the affairs of the city through attracting money and stimulating economic growth to address the service delivery needs of our people.

General Information

The municipality was classified as a Category B Municipality by the Municipal Demarcation Board, in terms of section 4 of the Local Government Municipal Structures Act, 1998.

GENERAL INFORMATION	TOTAL
1. Geography ⌚ Geographical Area	3,162 km ²
2. Demography ⌚ High above sea level	Between 1,300m and 1,600m
3. Population ⌚ Urban ⌚ Rural ⌚ Total	356,974 47,758 404,732
4. Population per gender ⌚ Male (48.00%) ⌚ Female (52.00%)	194,271 210,461
5. Number of Accounts ⌚ Urban ⌚ Rural Total	108,000 0 108,000
6. Indigent population (Registered)	42,213
7. IEC Information ⌚ Total number of wards ⌚ Total number of voting stations ⌚ Total number of voters	35 116 187,851
8. Household income per month ⌚ Less than R2,160	42,213 39.4%

(Source: Provincial IEC Offices, Spatial Development Framework, Revision 2009)



Gold Pouring

Achieving our vision through an integrated approach

In working to achieve its vision and mission for Matlosana, the City focuses its efforts on a number of key priorities, all of which are aimed at ensuring that all residents enjoy the best possible services, facilities and opportunities, delivered in a way that improves their quality of life.

These priorities are encapsulated in the City's Integrated Development Plan (IDP), which represents the City's key strategic planning instrument, and guides and informs all planning, management and development actions. The IDP is divided into the following ten key strategic focus areas (SFAs):

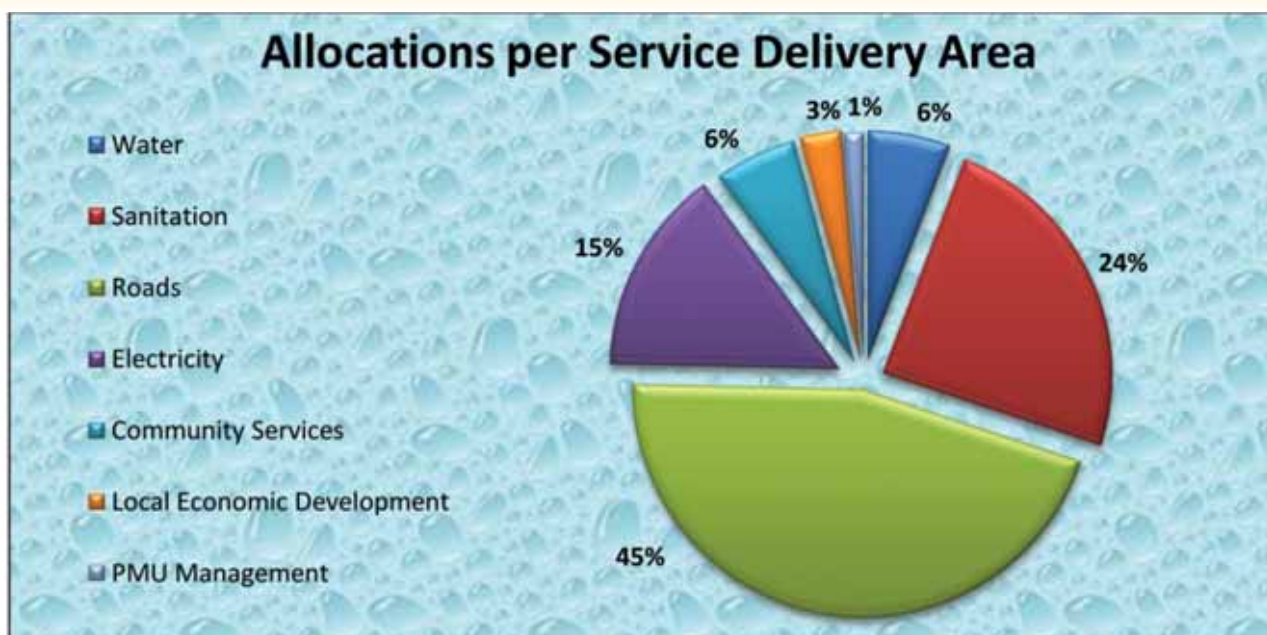
1. Storm-water drainage
2. Roads: tarring/grading & potholes
3. Infrastructure Maintenance
4. Housing
5. Recreational facilities (youth)
6. Electricity: high mast lights
7. Economic regeneration
8. Crime reduction/prevention/ disaster management
9. Sport, Art Culture and Heritage
10. Beautification/Environmental/Cleanest City

Each of these focus areas is further broken down into objectives and deliverables, for which various directorates within the City are responsible in terms of the Service Delivery and Budget Implementation Plan.

This annual report is effectively an opportunity for the City to provide residents of Matlosana, and all other stakeholders, with feedback on the achievements against the objectives set out in the 2010/11 IDP. While this report is, of necessity, structured according to the ten SFAs, the City follows a holistic approach to achieving these objectives and the work done by the various departments and directorates is therefore highly integrated and guided by a shared and common vision for Matlosana and its residents.

The following table indicates the MIG allocations per service delivery area for the 2009/10 and 2010/11 financial years:-

SERVICE DELIVERY AREA	ALLOCATIONS PER SERVICE DELIVERY AREA	
	2009/10 (R)	2010/11 (R)
Water	6,000,000	4,000,000
Sanitation	26,930,900	16,621,100
Roads	38,743,714	31,037,313
Electricity	6,000,000	10,000,000
Community Services	7,400,000	4,000,000
Local Economic Development	2,000,000	2,000,000
PMU Management	1,200,000	900,000
TOTAL	88,274,614	68,558,413



The following table indicates the Municipal Infrastructure Grant (MIG) performance for the 2009/10 and 2010/11 financial years:-

MIG PERFORMANCE	2009/10	2010/11
REVENUE	(R)	(R)
Approved MIG allocation	84,623,537	60,452,000
Roll-Over from previous year	3,651,077	8,106,413
Actual amount received:	88,274,614	68,558,413
EXPENDITURE	(R)	(R)
Actual expenditure for MIG allocation for the financial year	76,517,124	49,741,569
% Expenditure on MIG allocation for the financial year	86,68%	82,28%
Actual expenditure on MIG allocation, including roll-over	80,168,201	57,847,982
% Expenditure on MIG allocation, including roll-over	90,82%	84,38%
Remaining of funds for the next financial year	8,106,413	10,710,431

The Spatial Development Framework

The compilation of a Spatial Development Framework (SDF) is a requirement as set out in terms of section 2 (4) of the Local Government: Municipal Planning and Performance Management Regulation 2001 (Government Notice R796).

The overall objective is to facilitate development in the entire area of the City of Matlosana and at the same time achieved economic social and environmental sustainability. The SDF ultimately contribute to the improvement of the living conditions of inhabitants and consequently improve the quality of life of the population.

The SDF forms an integral part of the Integrated Development Plan (IDP) of the City of Matlosana. It provides spatial guidelines with regard to projects, but also assisting the municipality to prioritize their projects.

Council is in the process of reviewing the current SDF to be approved in the next financial year.

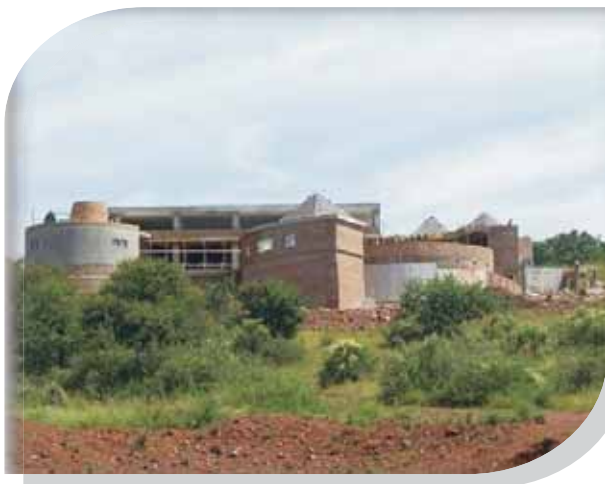
Investing in Matlosana's future

We as a city have a deep aspiration to develop the community, facilitate your investment and grow our immediate economy extensively.

Situated on the Vaal River in the North West Province, Matlosana is a vibrant and dynamic community. With near perfect weather all year round, only varying in temperature with seasonal changes, it makes it a great destination. It is strategically located on the N12 National Treasure Route which connects people easily to other nearby countries, such as Botswana, Namibia and Mozambique.

Matlosana offers a great deal of heritage, besides rich recourses in gold and diamonds Matlosana boasts some of the largest uranium deposits in the world. Township tours give an insight into that area of the community, which is growing, and Matlosana sees itself as a city of people ON THE MOVE. Game viewing is also prominent for the adventurous. The lack of large traffic volumes in the city is a delight due to the city's efficient infrastructure and public safety program. Matlosana's array of retail opportunities

attracts shoppers from all over the North West Province and bordering provinces.



Our customer profile is perfect for franchise opportunities. Sport and recreational activities are in abundance. Game viewing is prominent. Sporting opportunities, such as the national and international sporting events are hosted in Matlosana. Matlosana is positioned well with regard to facility, weather and events management for high profile events and the Local Municipality is willing to partner with any sporting code that approach us. Matlosana is by far the medical hub of the province and boasts 4 private hospitals and 2 provincial hospitals with top quality medical specialists ranging across the board.

Our geographical location is perfectly positioned on the N12 Treasure Route with immediate access to rail, road and air facilities. Easy access from OR Tambo gives us the competitive edge for growth in commercial regional or provincial satellite offices.

Mining and agriculture are the two main sectors in the city that bring in revenue, but that is not all it has to offer. The revitalization of the city's business district has given confidence in future prospects, and Matlosana already offers top notch education facilities, and health facilities, both private and government. Crime here is also much less of a factor than in larger, major cities, with the Klerksdorp Police Station winning the Wesvaal Chamber and Sanlam Cobalt award for Excellence in the Public Sector, based on its low crime statistics and high performance. Recent studies have shown huge economic growth in automotive sales industry which would be complimented with automotive manufacturing.



A recent feasibility study has shown huge potential to increase the capacity of our airport for both passenger and cargo which would only further enhance Matlosana's investor attraction.

Our abundance of land is evident and opportunity for small manufacturing and industrial development are evident. The City of Matlosana has an open door Investment policy and we are open to negotiations and partnerships.



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Operation Patella

Background

The project was the brain child of the previous Executive Mayor, Councillor Ofentse Mogale and it was started to inform the public of the problems experiencing due to non-payment of services to the municipality.

The municipality was owed a frightening R964 million by the public. Council also resolved on a Debt Amnesty with its relevant conditions when it embarked on the Operation Patella Campaign. (Patella – Pay Up!)

The project ran from 2 November 2010 to 31 May 2011. (Project ended because of the elections.)

Aims of the project

The project or campaign was aimed at encouraging members of the public to pay for the services they receive from Council with the benefit of having their debt cut in half when they do so.

It further aims to educate the community that services do not come for free, that they have certain rights and that all community members have a role to play, meaning that the public have to pay for these services.



The difference was that a Debt Amnesty was allowed for consumer accounts, traffic warrants and fines. If consumers paid up their current accounts including the 30 and 60 day debt, the debt over 90 days was reduced by 50 percent.

All Councilors were given printouts of the outstanding debt in their relevant wards and were tasked by the Executive Mayor to visit the top 100 accounts in their wards personally.

A successful event

The project was accepted in good kind by the residents of the City of Matlosana, which assisted the financial position of council for the better.



The municipality had the opportunity to inform the community about their rights, to educate all on payment for services, as well as the problems caused due to non-payments.

The municipality could manage to increase the assistance to indigent residents, reseal more roads, fix more potholes and maintain the aging infrastructure on a regular basis, due to this income.

It brought about a different form of motivation within the Municipality and all its employees, thus enhancing service delivery. Also many consumers realized the seriousness of whistle blowing on all those residents who were stealing services from the Municipality wherein fines were being issued to those found guilty.



Many consumers also started coming into the different pay-points of the Municipality so as to make formal arrangements in order to pay for their accounts which were in arrears.

Council recovered for the month of November 2010 an amount of R 108,089,594.09 during the campaign and debt collectors recovered R64,164,808.55 for outstanding services from rate payers.

Meeting our objectives

The community was educated on their rights and problems caused due to non-payment of services.

They know now that they have to pay service fees, rates on property and other taxes, levies and duties imposed by the municipality. They further know that they have to pay service fees before the due date which is the 10th of each month and they have the right to receive an account on time and if not, obtaining a duplicate account statement at the municipal pay points.

Consumers were also briefed on how to read and understand their monthly statements.

The public was also made aware that if they pay for services, the municipality can deliver better services to the community i.e. resealing of roads, filling of potholes, upgrading / maintaining aging infrastructure, assisting more indigent residents etc.

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Review of the 2010/11 Financial Year

Committed to Service Delivery - KPA1: Basic Service Delivery

Strategic priorities: Sustainable urban and rural infrastructure & service

What we set out to do:

- Ensuring that the residents of Matlosana has access to basic and essential services
- Ensuring that we manage our city's resources and infrastructure well
- Conserve and protect our city's natural resources

What we achieved in 2010/11:

- Provide 100% of urban households with access to basic water
- Provide 73% of rural households with access to basic water
- Provide 99.10% of urban households with access to basic sanitation
- Provide 100% of rural households with access to basic sanitation
- Provide 98.87% of urban households with access to basic electricity
- Achieve to assist 1,004 Indigent households with FBAE (Free Basic Alternative Energy)
- Provide 100% of urban households with access to basic refuse removal
- Provide 100% of rural households with access to basic refuse removal
- Achieve 94.49% elimination of the bucket system
- Receive Blue Drop Award for drinking water quality
- Receive Green Drop Award for effluent water quality
- Spent R76,3 million on infrastructure improvement (MIG)
- Reduce the electricity distribution losses with 8.49%
- Reduce the water distribution losses with 13.34%

Water

Midvaal Water Company is the water service provider for the supply of bulk water to the City of Matlosana, whilst the city do the water service authority, is responsible for the retail and distribution thereof.

The level and standard of water services for rural areas are communal standpipes at RDP standards and erven connections and water borne sanitation for urban areas.



All households in Matlosana area qualify for the first 6 kl of water a month free of charge and all registered and approved indigents receive the first 10 kl of water a month free of charge.

The Department of Water Affairs has finally allayed fears of local residents by awarding the City of Matlosana the Blue Drop certificate during the 3rd Municipal quality conference held in Cape Town from 27 June to 1 July 2011.

The awarding of the certificate, which makes it clear that the water is safe for consumption, is a sharp contrast to the recent allegations made by the opposition parties that the water the municipality gets from Midvaal is not safe to drink.

Midvaal has since issued a statement to assure the public that there is nothing wrong with the water it supplies.

The department has given the city water a clear score of 95.38 percent, making it the second cleanest water in the province.

Roads

The section manages to construct 15,04 km of new roads in the urban areas during the financial year under review.

Unfortunately, Council cannot service un-proclaimed land; therefore no new roads can be constructed in the rural areas.



Sanitation



The Council adopted the minimum level of sanitation service to be a sewer connection to each erven from water borne sewer reticulation, serving a flushing toilet system on the relevant erven.

Status of the sewer infrastructure is:-

AREA	CURRENT CAPACITY	SPARE CAPACITY
Klerksdorp	36 MI	± 16 MI
Orkney	20 MI	± 10 MI
Stilfontein	12,3 MI	± 6 MI
Hartbeesfontein	4,5 MI	±1 MI

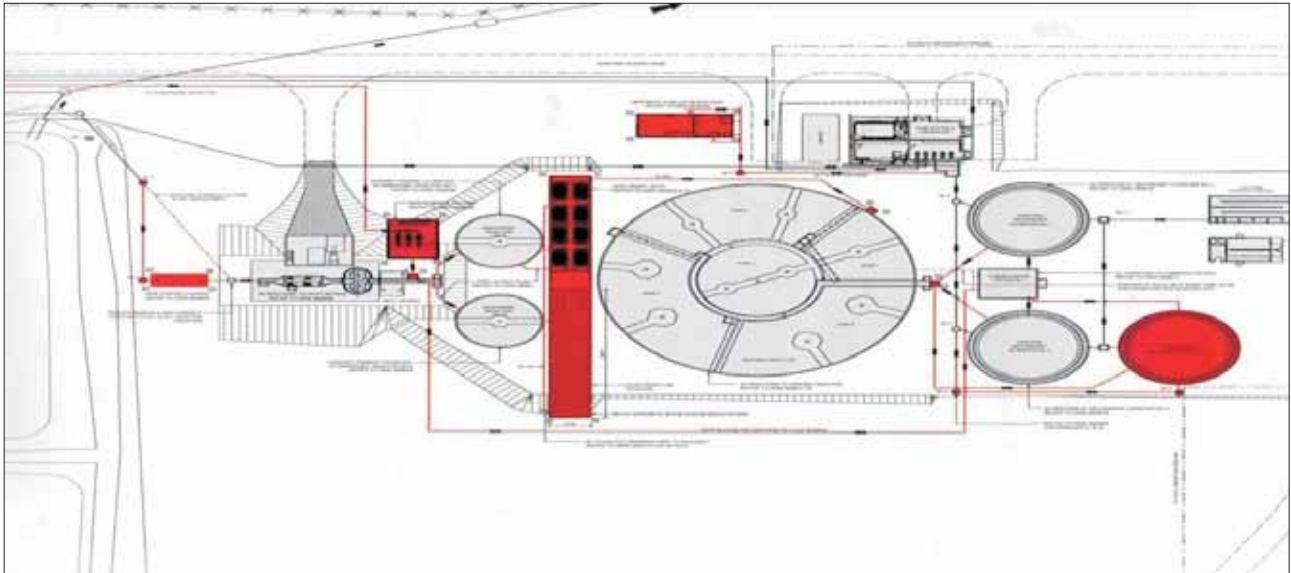


Diagram of Hartbeestfontein Waste Water Treatment Plant

Electricity

Electrical capacity can be seen in the following table:-

SUBSTATION	INSTALLED CAPACITY	USED CAPACITY	RESERVE CAPACITY
Klerksdorp Main Substation	40 Mva	36 Mva	4 Mva
Doringkruin Substation*	40 Mva	39 Mva	1 Mva
Uraniaville Substation*	30 Mva	28 Mva	2 Mva
Orkney Substation	15 Mva	10 Mva	5 Mva
Stilfontein Substation	20 Mva	15 Mva	5 Mva
Hartbeestfontein Substation	10 Mva	5 Mva	5 Mva
Jouberton Main Substation	40 Mva	36 Mva	4 Mva



*

Extension to Doringkruin Substation to increase capacity with 20 Mva and Uraniaville Substation with 10 Mva are currently in progress.

*

Distribution areas managed by Eskom by means of a distribution license with NER are: Kanana, Khuma and Tigane.

The Eskom has a backlog of 6,145 households that do not have access to Free Basic Electricity as per our indigent data register.

All registered and approved indigent households in Matlosana area qualify for the first 70 Kwh of electricity a month free of charge, whilst all other households qualify for the first 50 Kwh of electricity a month free of charge

Refuse Removal

The municipality is responsible for domestic and commercial refuse collection services.

Collection of refuse at households is done on a weekly basis and commercial sites on a more frequent basis.

The backlog on the number of households not receiving a refuse removal service is currently zero.

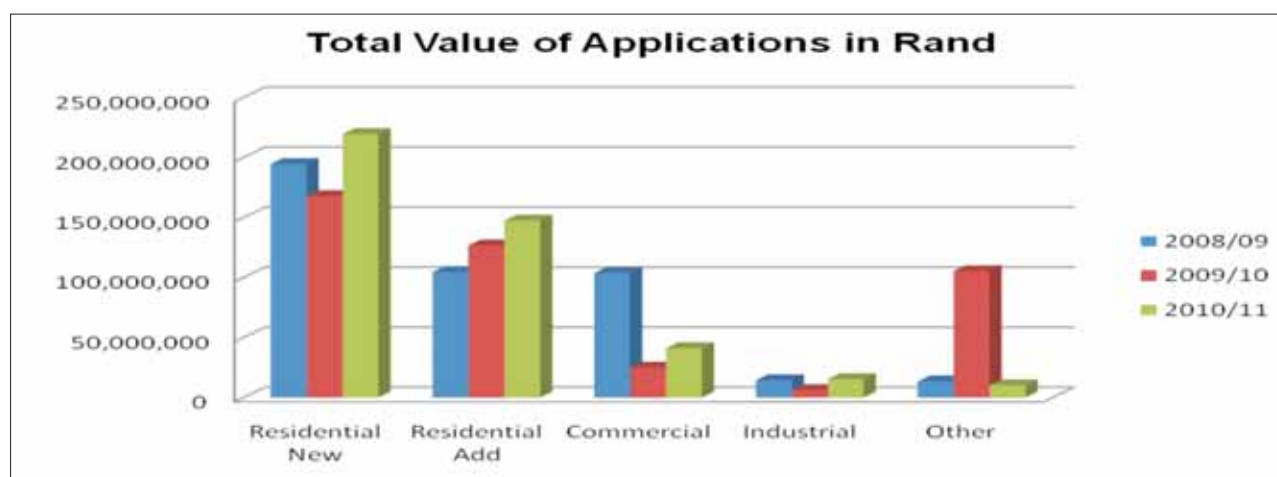


Building Plans

The following table indicate the number of applications for building plans received for 2009/10 and 2010/11, as well as the outstanding building plan applications as on 30 June 2009, 2010 and 2011:-

Building Plans	2009/10		2010/11		
	Applications Outstanding 30 June 2009	Applications Received 2009/2010	Applications Outstanding 30 June 2010	Applications Received 2010/2011	Applications Outstanding 30 June 2011
Residential New	28	449	64	419	-64
Residential Additions	42	638	34	736	62
Commercial	11	20	6	41	2
Industrial	4	5	-1	5	1
Other	-11	250	-10	147	-17
TOTAL	74	1,362*	93	1,348*	-16

* Totals differ due to more than one application within one application etc. one building plan submitted for an addition, lapa and swimming pool.



APPLICATION	2008/09	2009/10	2010/11
Residential New	194,527,700	167,805,700	219,480,200
Residential Add	104,444,000	126,727,400	147,376,600
Commercial	103,758,600	24,944,300	41,121,100
Industrial	14,493,900	6,194,700	15,293,700
Other	13,410,400	105,278,200	10,176,400

Backlogs on service delivery

The biggest challenge for Council is not to create unrealistic expectations, but to develop a medium to long term strategy to address backlogs and to ensure that the community is involved, understand and adopt the strategies.

Resources to eradicate sanitation backlogs in the short term are not sufficient, but major progress has been made in eliminating the bucket system that should be completely phased out by the end of 2012.

A program to eliminate the night soil bucket system is as follows:-

DETAIL	2008/09	2009/10	2010/11	20011/12
Statutory backlogs	1,904	1,583	200	49
Minus erven being developed	0	0	0	0
Current number of night soil buckets	1,904	1,583	755	505
Eradicate during financial year	3,211	1,383	906	0
Number of buckets at end of financial year	1,583	200	49	554



The following tables indicate the backlogs Council is facing regarding water, sanitation, roads, refuse and electricity: -

WATER BACKLOGS (6kl & 10 kl/month)	2008/09		2009/10		2010/11	
	Backlogs	Target	Achieved	Backlogs	Target	Achieved
Nr. Of Households not receiving minimum standard of service	1,398	480	375	1,023	1,023	1,023
% - Households identified as backlogs / total households in municipality	1,29	0,44	0,35	0,86	0,86	0,86
Spending on new infrastructure to eliminate backlogs (R'000)	5,000	3,500	2,500	78,000	18,000	15,500
Spending on renewal of existing infrastructure to eliminate backlogs (R'000)	8,500	4,500	3,500	35,000	18,000	16,800
Total spending to eliminate backlogs (R'000)	20,000	10,000	5,000	40,000	15,000	5,000
Spending on maintenance to ensure no new backlogs created (R'000)	1,500	1,000	850	5,000	5,000	4,600
SANITATION BACKLOGS	2008/09		2009/10		2010/11	
	Backlogs	Target	Achieved	Backlogs	Target	Actual
Nr. Households not receiving minimum standard of service	600	400	200	400	400	669
% - Households identified as backlogs / total households in municipality	0,55	0,37	0,18	0,34	0,34	0,56
Spending on new infrastructure to eliminate backlogs (R'000)	5,580	5,580	4,179	6,624	6,624	3,033
Spending on renewal of existing infrastructure to eliminate backlogs (R'000)	13,210	13,210	11,579	14,977	14,977	11,766
Total spending to eliminate backlogs (R'000)	18,790	18,790	15,758	15,501	15,501	8,999
Spending on maintenance to ensure no new backlogs created (R'000)	6,045	6,045	5,075	8,708	8,708	5,966

ROADS BACKLOGS	2008/09			2009/10			2010/11		
	Backlogs	Target	Achieved	Backlogs	Target	Achieved	Backlogs	Target	Achieved
Nr. Km not providing minimum standard of service	611	15	24	587	15	12,3	467,848	23,076	15,052
% - Km identified as backlogs / total km	57.42	2.46	3.93	53	1.35	1.12	62,01	4.94	3.22
Spending on new infrastructure to eliminate backlogs (R'000)	73,500	73,500	42,500	43,000	43,000	41,000	41,530,900	41,530,900	35,175,726
Spending on renewal of existing infrastructure to eliminate backlogs (R'000)	4,500	4,500	2,500	4,500	4,500	4,500	14,500	14,500	14,500
Total spending to eliminate backlogs (R'000)	78,000	77,500	29,000	37,500	37,500	37,500	53,741.480	53,741.480	42,558,727
Spending on maintenance to ensure no new backlogs created (R'000)	200,000	17,000	15,000	Not available	Not available	Not available	68,241.480	68,241.480	57,085,727
ELECTRICITY BACKLOGS (70Kwh/ month)	2008/09			2009/10			2010/11		
	Backlogs	Target	Achieved	Backlogs	Target	Achieved	Backlogs	Target	Actual
Nr. Households not receiving minimum standard of service	4,807	750	150	8,770	1,373	1,019	8,063	518	438
% - Households identified as backlogs / total households in municipality	4.44	0.69	0.14	7.39	1.16	0.86	4.8	0.31	0.26
Spending on new infrastructure to eliminate backlogs (R'000)	48,070	7,500	1,500	78,930	20,760	19,360	10,417	7,163	4,093
Spending on renewal of existing infrastructure to eliminate backlogs (R'000)	24,000	24,000	22,000	42,300	14,089	13,120	11,000	2,000	2,000
Total spending to eliminate backlogs (R'000)	72,070	31,500	23,500	93,019	34,849	32,480	15,170	9,163	6,093
Spending on maintenance to ensure no new backlogs created (R'000)	15,000	9,940	9,880	140,000	21,000	29,800	50,000	12,345	12,345

REFUSE REMOVAL BACKLOGS	2008/09				2009/10				2010/11		
	Backlogs	Target	Achieved		Backlogs	Target	Achieved		Backlogs	Target	Actual
Nr. Households not receiving minimum standard of service	6,000	6,000	6,000		6,000	6,000	6,000		0	0	0
% - Households identified as backlogs / total households in municipality	6.37 94,200	5.99 100,200	5.99 100,200		5.99 100,200	5.65 100,200	5.65 106,200		0 106,600	0 106,600	0 106,600
Spending on new infrastructure to eliminate backlogs (R'000)	27,000	27,000	27,000		48	48	48		0	0	0
Spending on renewal of existing infrastructure to eliminate backlogs (R'000)	53,200	53,200	53,200		48	48	48		70,000	70,000	70,000
Total spending to eliminate backlogs (R'000)	80	80	80		96	96	96		0	0	0
Spending on maintenance to ensure no new backlogs created (R'000)	0	0	0		0	0	0		0	0	0



Growing our Economy & Creating Jobs – KPA 2: Local Economic Development

Strategic priorities: Shared economic growth and development

What we set out to do:

- Enable the city's economy to grow, so that Matlosana can compete nationally

What we achieved in 2010/11:

- Created 1,017 long-term job opportunities

Job Creation Allocations

PROJECT NAME	NO OF BENEFICIARIES	LOCATION	ACTIVITY	PROJECT VALUE (R)
Hambanathi project	6	Khuma	Vegetable production	200,000
Eden Youth Coop	5	Jouberton	Vegetable production & garden services	300,000
Philani Agric Coop	8	Khuma	Vegetable production	200,000
Makgale Hair Salon	3	Khuma	Hair dresser	100,000
U2 panel beaters	8	Ellaton	Panel beaters	500,000
D2to Designers	12	Orkney	Furniture manufacturer	200,000
Gumede Enterprise	4	Klerksdorp	Mobile fridges	200,000
Ntsokolo panel beaters	6	Uraniaville	Panel beaters	500,000
Gizabo	6	Jouberton	IT	150,000
Toro ke bophelo	5	Jouberton	Tourism Crafters	800,000
Wonderfrost	5	Khuma	Glass manufacturers	150,000
Mamello	60	Orkney	Tile manufacturer	2,000,000
E-Glass	4	Kanana	Glass fitting	100,000
Eluthandiwe	16	Stilfontein	Clothing and textile manufacturers	300,000
Thuto ya sechaba	25	Klerksdorp	Poultry, hydroponic tunnels	100,000
Tigane farming	12	Tigane	Hydroponic tunnels	500,000
Tigane bricks	14	Tigane	Bricks manufacturers	100,000

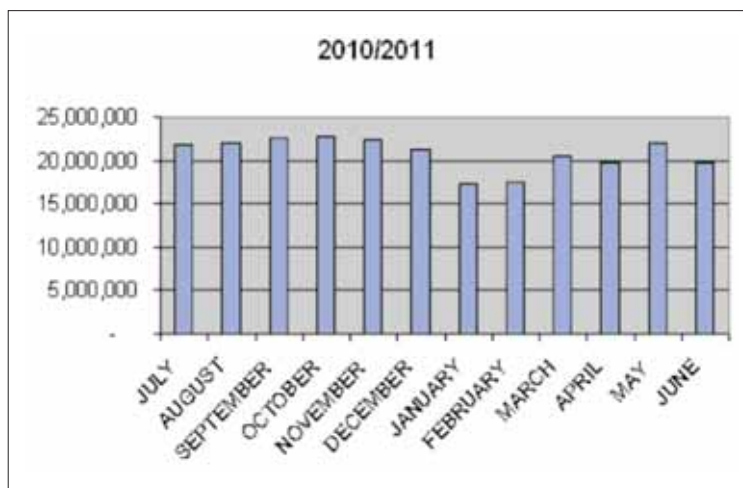


Fresh Produce Market

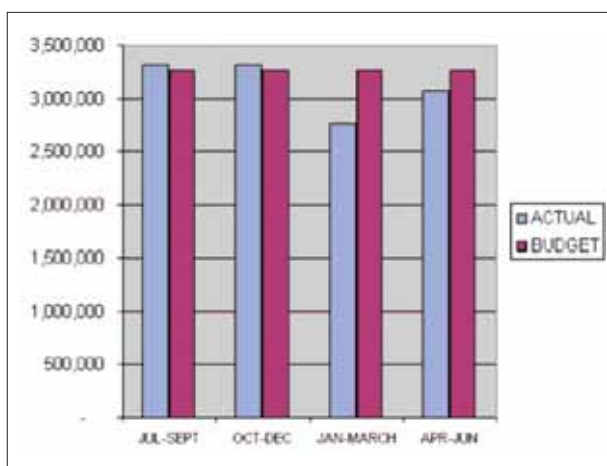
Out of the total of 18 National Fresh Produce Markets in South Africa, Klerksdorp National Fresh Produce Market was rated 9th position with a turnover of R18,164,784 at end June 2010 and rated 8th position with a turnover of R19,654,534 in June 2011.

Financial results for the 2010/2011 financial year

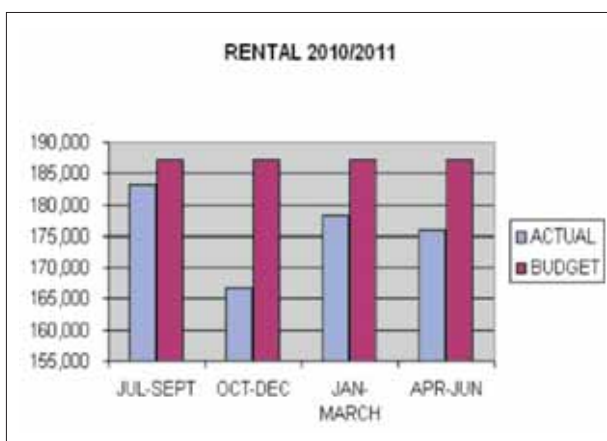
Turnover	R
July	21,726,247
August	21,950,866
September	22,611,789
October	22,741,206
November	22,415,615
December	21,185,505
January	17,232,702
February	17,410,234
March	20,537,765
April	19,765,453
May	22,012,745
June	19,654,534
TOTAL	R249,244,661



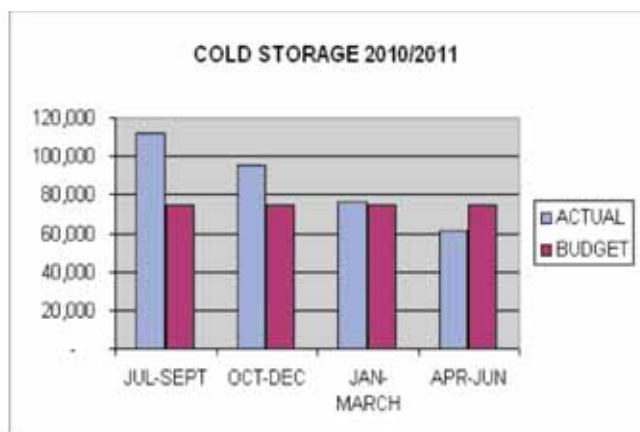
Market dues		
Quarter	Actual	Budget
Jul-Sept	3,314,445	3,260,680
Oct-Dec	3,317,117	3,260,680
Jan-March	2,945,056	3,260,680
Apr-Jun	3,071,637	3,260,680
TOTAL	R12,276,215	R13,042,720



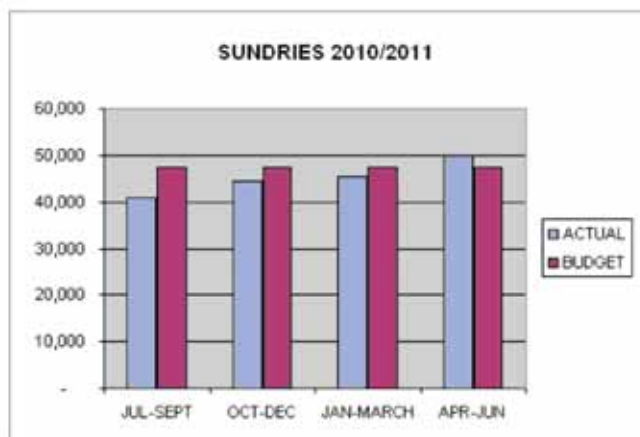
Rental Income		
Quarter	Actual	Budget
Jul-Sept	183,100	187,072
Oct-Dec	166,672	187,072
Jan-March	178,227	187,072
Apr-Jun	175,801	187,072
TOTAL	R703,800	R748,288



Cold Storage Income		
Quarter	Actual	Budget
Jul-Sept	112,356	75,000
Oct-Dec	95,008	75,000
Jan-March	76,409	75,000
Apr-Jun	60,925	75,000
TOTAL	R344,698	R300,000



Sundry Income		
Quarter	Actual	Budget
Jul-Sept	41,016	47,350
Oct-Dec	44,338	47,350
Jan-March	45,516	47,350
Apr-Jun	49,927	47,350
TOTAL	R180,797	R189,400



Directing Matlosana – KPA 3: Municipal Transformation & Organizational Development

Strategic priorities: Direct and ensure compliance with council and municipality and with National and Provincial directives.

What we set out to do:

- Create change at various levels, a culture of best performance, promoting accountability and ensuring a meaningful Performance Management System
- Align its' planning with the development plans and strategies of the municipality and to develop a programme for enhancing public participation of all groups
- Promote and maintain good corporate governance, HDI BEE and SMME spend and to improve efficiency, effectiveness and uniformity
- Prevent unauthorized, irregular and fruitless expenditure

What we achieved in 2010/11:

- Spent 98.36% of the training budget
- Table 2009/10 Annual Report on 31 January 2011
- Approve final 2011/12 SDBIP on 17 May 2011
- Signed 2011/12 Performance Agreements by 17 May 2011
- Revised PMS Policy and Framework



Organizational Development

During October 2010, Council created a fourth department under the Directorate Municipal & Social Services, dealing with the Sport, Arts and Culture functions. The existing sections of Sport, Libraries and Museum under the Community Services Department were relocated to the new department; Sport, Arts & Culture to form part thereof

Creating a sustainable future for all residence of Matlosana – KPA 4: Municipal Financial Viability & Management

Strategic priorities: Sound finances and regulatory reform

What we set out to do:

- Effectively manage the city's finances
- Enhances our service delivery by having good processes and procedures in place
- Communicate well with the citizens of Matlosana

What we achieved in 2010/11:

- Approved 42,213 indigent households
- Spent R95,027,206 on households earning less than R2,160 per month with access to free basic services
- Spent R174,037,982 (55,37%) of the capital budget
- Approved 2011/12 Budget on 29 April 2011
- Submitted 2009/10 Financial Statements on 31 August 2010
- Implemented and monitored Supply Chain Management policies
- Tabled 2010/11 Budget planning process time tabled on 31 August 2010
- Approved 2010/11 Adjustment Budget
- Installed 1 Pre-paid management server

Payment Rate

The payment of rates and services of 69 % has been currently achieved and decreased with 8 %, due to the poor economic situation and the closure of some of the Orkney and Hartbeesfontein mines, but does remain a challenge when compared to the number of households.

Water & Electricity consumption

The total electricity and water consumption for the Matlosana area for the past 3 financial years are as follows:-

COMSUMPTIONS	2008/09	2009/10	2010/11
Electricity purchased from ESKOM in Kwh	625,499,388 Kwh	604,287,338 Kwh	631,823,551 Kwh
Electricity purchased from ESKOM in Rand	R157,743,896	R214,931,280	R275,834,974
Electricity distribution losses	35.31%	20.97%	12.48%
Water purchased from Midvaal Water Company in KI	28,504,803 KI	28,190,938 KI	29,294,175 KI
Water purchased from Midvaal Water Company in Rand	R102,429,319	R112,492,492	R130,009,916
Water distribution losses	28.50%	38.14%	24.80%

A well-governed city – KPA 5: Good Governance & Public Participation

Strategic priorities: Good governance and regulatory reform

What we set out to do:

- Enhances our service delivery by having good processes and procedures in place
- Communicate well with the citizens of Matlosana

What we achieved in 2010/11:

- Approved 2011/12 IDP on 29 April 2011
- Tabled 2011/12 IDP process plan on 28 August 2010
- Conducted IDP / PMS consultation meetings with public
- Number of employees trained on Employment Equity / non-discrimination



The Vaal River

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Human Resources and Organizational Management

Organizational Structure

The City of Matlosana has an organizational structure which is aligned to the IDP and is reviewed from time to time to ensure operational effectiveness.

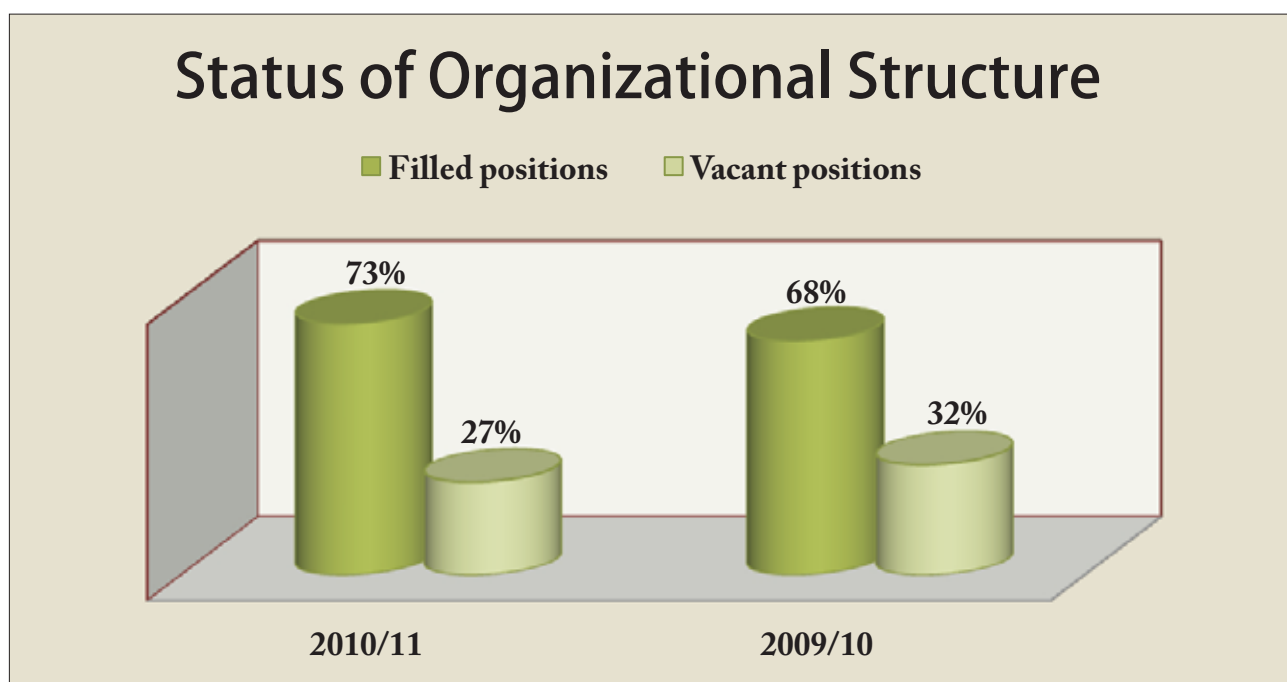
The Organizational structure has an Office of the Municipal Manager and 5 Directorates. The Office of the Municipal Manager includes the functions of Performance Management, IDP and Internal Audit.

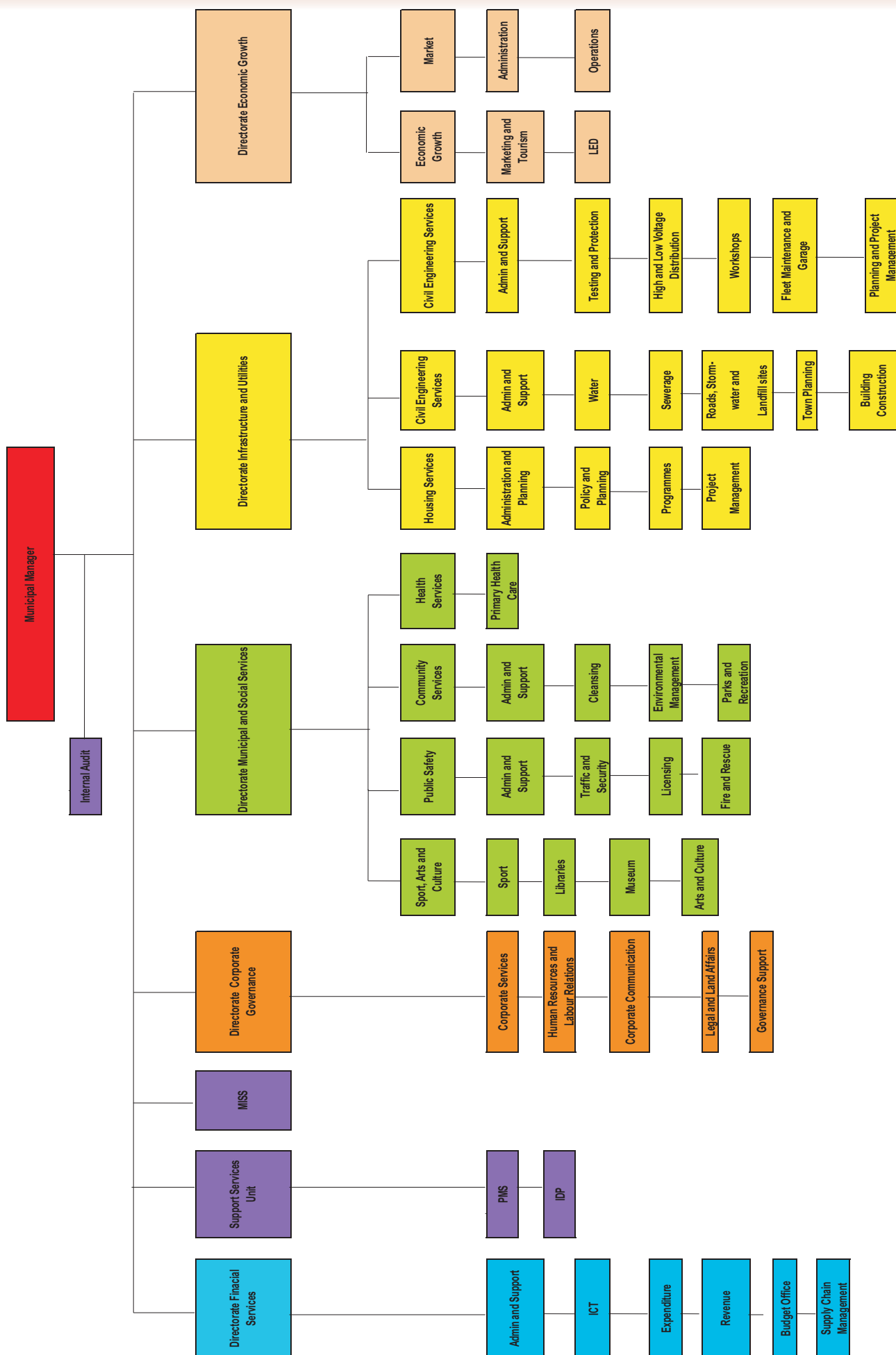
The Acting Municipal Manager and Directors, including the vacant post of Chief Financial Officer have all signed Performance Agreements for the financial year under review and have been submitted to the various stakeholders.

The following approved, filled and vacant posts existed at the end of the 2010/11 financial year:-

DIRECTORATE	APPROVED POSTS	FILLED POSTS	VACANT POSTS
Office of the Municipal Manager	22	13	9
Directorate Infrastructure and Utilities	1,014	709	305
Directorate Financial Services	252	183	69
Directorate Corporate Governance	187	119	68
Directorate Municipal and Social Services	1,602	1,215	387
Directorate Economic Growth	60	55	5
TOTAL	3,137	2,294	843

The filled positions represent 73% and the vacant positions 27% of the total approved posts, in comparison with the 68% for filled positions and 32% for vacant positions for the 2009/2010 financial year.





Staff and Employment Equity Profile

The municipality is held accountable in respect of the National Key Performance Indicators for the Employment Equity Plan.

The tables below reflect the number of approved, filled and vacant positions per department and a breakdown of staff per occupational category and gender:-

Breakdown of staff per occupational category and gender for 2010/11:

Occupational Categories	Male				Female				TOTAL
	Black	Coloured	Indian	White	Black	Coloured	Indian	White	
Legislators, senior officials and managers	20	0	0	11	7	1	0	1	40
Professionals	30	2	1	19	20	0	0	12	84
Technicians and associate professions	54	8	1	36	25	2	0	15	141
Clerks	80	5	1	7	182	25	4	50	354
Service and sales workers	78	8	0	21	36	2	0	5	150
Skilled agricultural and fishery workers	6	0	0	4	0	0	0	0	10
Craft and related trades workers	94	11	1	17	1	0	0	0	124
Plant and machine operators & assemblers	149	3	0	4	3	0	0	0	159
Elementary occupations	953	11	1	7	234	5	0	0	1211
TOTAL	1,464	48	5	126	508	35	4	83	2,273
Non-Permanent Employees	4	1	0	0	13	0	0	3	21
GRAND TOTAL	1,468	49	5	126	521	35	4	86	2,294

NATIONAL KEY PERFORMANCE INDICATOR	Male				Female				TOTAL
	Black	Coloured	Indian	White	Black	Coloured	Indian	White	
Number of people from employment equity target groups employed in the three highest levels of management	20	0	0	11	7	1	0	1	40

Employment Equity Profile

Post Level	2009/10								2010/11							
	Male				Female				Male				Female			
	B	C	I	W	B	C	I	W	B	C	I	W	B	C	I	W
0	4	0	0	1	0	0	0	0	3	0	0	1	1	0	0	0
1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	6	0	0	2	2	0	0	0	6	0	0	2	1	0	0	0
3	14	0	0	7	5	1	0	1	11	0	0	8	5	1	0	1
4	5	0	1	2	2	0	0	3	5	0	1	2	2	0	0	2
5	16	2	0	10	9	0	0	6	12	2	0	10	7	0	0	6
6	15	2	0	12	15	1	0	5	18	1	0	12	15	1	0	6
7	22	1	0	17	7	0	0	5	21	1	0	17	7	0	0	5
8	23	3	1	13	17	2	0	7	24	3	1	13	18	2	0	7
9	46	8	0	20	19	1	0	10	50	8	0	21	17	1	0	10
10	45	2	1	6	38	7	1	15	41	2	1	6	34	8	1	15
11	48	5	0	4	50	6	1	12	54	5	0	2	52	5	1	12
12	75	7	0	12	26	1	0	4	70	8	0	12	22	1	0	4
13	32	2	0	0	29	4	1	8	40	2	0	9	34	4	1	5
14	31	1	0	1	33	2	1	6	28	1	0	2	34	2	1	6
15	87	3	1	1	22	5	0	3	94	3	1	2	26	5	0	4
16	58	0	0	3	13	0	0	0	65	0	0	2	12	0	0	0
17	134	3	1	0	4	0	0	0	145	3	1	0	6	0	0	0
18	11	0	0	0	10	1	0	0	11	0	0	0	11	1	0	0
19	650	6	0	5	183	2	0	3	766	9	0	5	204	4	0	0
NG									4	1	0	0	13	0	0	3
Total	1,322	45	5	125	484	33	4	88	1,468	49	5	126	521	35	4	86
Grand Total	2,106								2,294							

Skills Information

The municipality is held accountable in respect of the National Key Performance Indicators for the implementation of the Workplace Skills Plan.

The following training statistics have been provided in the various occupation categories to improve skills development:-

Occupational Categories	Post Levels	Male				Female				TOTAL
		Black	Coloured	Indian	White	Black	Coloured	Indian	White	
Legislators, senior officials and managers	0-3	124	14	0	17	71	8	0	6	240
Professionals	4-6	66	0	0	6	30	0	0	5	107
Technicians & associate professions	7-9	0	0	0	0	0	0	0	0	0
Clerks	10	10	7	0	3	10	2	0	9	41
Service and sales workers	10	0	0	0	0	0	0	0	0	0
Skilled agricultural and fishery workers	10	0	0	0	0	0	0	0	0	0
Craft and related trades workers	11-12	26	3	0	9	11	4	0	6	59
Plant and machine operators & assemblers	13-15	56	19	0	8	34	5	0	4	126
Elementary occupations	16-19	22	14	0	0	8	9	0	0	53
TOTAL		304	57	0	43	164	28	0	30	626

Total personnel expenditure trends in the last four years

The following table reflects the total personnel expenditure trends from 2007/08 to 2010/11:

FINANCIAL YEAR	(R)	% OF TOTAL BUDGET
2007/08	225,995,000	27.00%
2008/09	258,518,499	25.70%
2009/10	295,042,608	24.96%
2010/11	397,826,696	26.67%

Pension- and Medical Aid Funds

Pension Fund

The composition of membership for pension and provident fund was as follows:-

PENSION FUND	NUMBER OF MEMBERS
Municipal Gratuity Fund	1,465
National Fund for Municipal Workers	273
Joint Municipal Pension fund	14
Sala Pension Fund	96
Municipal Councillors Pension Fund	71
Municipal Employees Pension Fund	361
Meshawu Pension fund	5
Samwu Pension Fund	60
Total	2,345

The Council's actual expenditure for the 2010/11 financial year towards the employers' contribution to pension and provident funds was R 46,479,817.

Medical Aid Funds

The medical aid funds are accredited by the South African Local Government Bargaining Council (SALGBC). The Council's actual expenditure for the 2010/11 financial year towards the employers' contribution to medical aid funds was R 25,315,863.

Membership of the medical aid funds were as follows:

MEDICAL AID FUND	NUMBER OF MEMBERS	EMPLOYER'S CONTRIBUTION (R)
KeyHealth	194	5,353,466
Hosmed	110	1,973,563
Bonitas	425	5,240,789
LA Health	167	1,702,302
Samwu Med	320	4,009,795
Total	1,216	18,279,915

Outstanding Monies

MFMA Circular 11 requires that municipalities disclose arrears (outstanding monies) by councillors / staff / directors for the financial year.

Outstanding monies owed to the municipality longer than 90 days by employees are as follows:

ACCOUNTS IN ARREAR AS AT PRESENT	ARREARS JUN-09	ARREARS JUN-10	ARREARS JUN-11
	(R)	(R)	(R)
Councillors	18,844	13,945	89,660
Employees	174,433	318, 784	384,699

Disclosure concerning executive councillors and directors

The following table reflects the remuneration for Executive Councillors and directors:-

DESIGNATION	REMUNERATION (PACKAGE) (R)
Executive Mayor	641,053
Speaker	502,023
Single Whip	471,768
MMC's	471,768
Chief Financial Officer	855,612
Municipal Manager	1,067,423
Director Corporate Governance	845,079
Director Economic Growth	789,793
Director Municipal & Social Services	855,612
Director Infrastructure & Utilities	855,612
Manager Support Services	592,345



6

**Inside the
City of Matlosana**

Office of the Municipal Manager



Overview

The purpose of this office is to direct and ensure compliance with council and municipality and with National and Provincial directives.

The Office of the Municipal Manager has to ensure the smooth running of the Municipal Manager's administration.

Operating Structure

In terms of the above, a Support Service Unit was allocated in the Office of the Municipal Manager which include the following sub-units:-

Performance Management (PMS)	}	Support Services
Integrated Development Planning (IDP)		

Internal Audit (This unit performs functions independently with a direct reporting line to the Municipal Manager).

The Office of the Municipal Manager consists of 13 employees.

Description of the Activity

Support Services

- Performance Management (PMS): To improve performance of the municipality by continuously monitoring, measuring and reviewing performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact.
- Integrated Development Planning (IDP): To provide an acceptable level of basic service to the community, by meeting the service delivery mandates and improving the quality of life of our people.

Internal Audit

The purpose of internal auditing is to provide independent, objective assurance and consulting services designed to add value and improve the organization's operations. It assists the organization to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Key issues for 2011/2012

- To approve the final SDBIP
- To sign the performance Agreements
- To table the Annual Report
- To approve the final IDP
- To enhance public participation
- To conduct Audit Committee meetings
- To update the Risk Register
- To review Risk Management processes
- To report on outstanding disclaimer and qualifications

Service Delivery

Integrated Development Planning

DETAIL	2008/09	2009/10	2010/11
IDP Representative forum meetings	4	3	3
IDP Sector Department meetings	4	4	3
IDP Community meetings	22	35	33

Directorate Infrastructure and Utilities



Overview

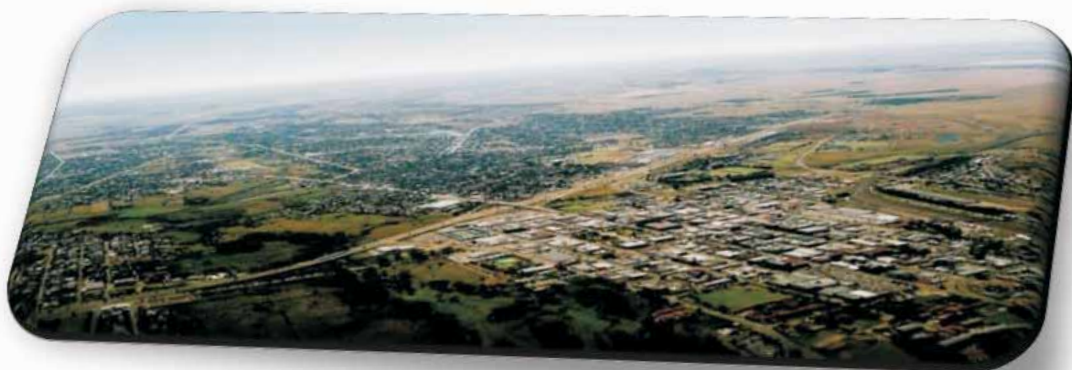
The function of the Directorate: Infrastructure & Utilities is to provide and maintain quality sustainable civil & electrical engineering and housing services for Matlosana and to continuously improve quality of life in a sustainable, safe, economical, equitable, integrated, environmentally sensitive and participatory manner.

Operating Structure

The Directorate provides the following services:-

- Civil Engineering:-
 - Town-Planning and Building Control
 - Roads, Storm-water and Landfill Sites
 - Water
 - Sewerage
 - Building Construction
- Electrical Engineering:-
 - High & Low Tension: Distribution
 - Planning and Testing
 - Fleet Maintenance
 - Mechanical & Electrical Workshop
- Housing Services

The Directorate Infrastructure and Utilities consists of 709 employees.



Description of the Activity

Civil Engineering

- **Town-Planning and Building Control:** Responsible for all activities associated with development initiatives of erven of Council and in support of the private sector
- **Roads, Storm-water and Landfill Sites:** Planning, provision and maintenance of tarr and gravel roads and storm-water infrastructure and the planning provision and running of the waste landfill sites to ensure safe handling of solid waste and compliance with all applicable legislation
- **Water:** Bulk purchases of water, distribution and maintenance of new and existing infrastructure. Provide safe drinking water to the community as prescribed by legislation.
- **Sewerage:** Providing an affordable, efficient and cost effective sanitation service through a well established and maintained infrastructure
- **Building Construction:** Responsible for the maintenance and construction of Council buildings, as well as additions and alterations to existing buildings.

Electrical Engineering

- **High & Low Tension: Distribution:** Bulk purchase and distribution of electricity and the maintenance of medium voltage distribution (11kv, 6,6kv, and 3,3kv networks), low voltage distribution networks, sewer pumping-station and plants, water pumping-stations, lifting equipment, buildings, streetlights, highmast lights and sportfield lights.
- **Planning & Testing:** Testing of electrical installations, as well as robot installations, electrical metering (medium and low voltage systems), and medium voltage protection, radio communication systems for all Council departments, fault finding, water pumping-station and sewer pumping-station.
- **Fleet Maintenance:** Responsible for the daily management of Council vehicles.
- **Mechanical & Electrical Workshops:** Maintenance all sewer pump-stations and plant, water pumpstations, hydraulic equipment, welding, boiler-making and fitting and turning.

Housing Services

To plan, implement, monitor and manage the housing delivery processes and subsidy programmes in the City of Matlosana.



Key issues for 2011/2012

- To improve bulk water supply in Khuma
- To replace water meters
- To replace bulk water meters
- To obtain Blue Drop status
- To refurbish valves and networks
- To upgrade the Mercury Road & N12 Intersection to allow free flow of traffic during peak hours
- To reseal roads to maintain the current infrastructure
- To upgrade the Orkney WWTP (Phase 5)
- To increase the holding capacity at the WWTP in Hartbeesfontein (Phase 2)
- To maintain main sewer lines
- To upgrade the 11Kv Distribution Network
- To replace existing MV cables
- To replace the old kiosks with mini-sub
- To install highmast lights
- To install streetlights
- To upgrade some mini-substations
- To register and deregister Title Deeds

Service Delivery

Civil Engineering

Water

DETAIL	2008/09	2009/10	2010/11
Total volume and of bulk water purchased in kilolitres.	28,504,803 kℓ	28,190,938 kℓ	29,294,175 kℓ
Total volume and receipts of water sales			
● Residential communal supply	835,475	836,745	889,045
● Residential uncontrolled	96,385,345	15,386,475	10,886,975
● Commercial	5,365,217	4,875,645	3,275,668
● Industrial dry	148,456	124,386	104,386
● Other	2,357,481	1,850,321	1,650,311
TOTAL	105,091,974	23,073,572	16,806,385
Total year to date water unaccounted for	8,134,012 28.50%	10,850,713 38,14%	10,710,661 24.80%
Number of households with water service, and type			
● Piped water inside yard	125,675	126,765	126,968
● Piped water on communal supply distance < 200 m from dwelling	-	1,850 Rural Settlement	1,965 Rural Settlement
● Below minimum standard	0	1,845 Incl. informal settlements	1,927 Incl. informal settlements
Number of new water connections	850	1,350	85



Number of restriction and reconnections:			
● Restrictions	58,765	N/A	3,650
● Reconnections	49,845	N/A	1,500
Anticipated expansion of water services next financial year			
● Piped water inside yard	5,865	4,500	5,600
Estimated backlog of water connection:			7,000
● Piped water inside yard	3,850	3,000	Rural Settlement
Free Basic Service Provision:			
● Quantity (number of households affected)	125,675	125,765	126,850
● Quantum (value to each household)	6 kl per month free	6 kl per month free	10 kl per month free
Type and number of grants and subsidies received:			
● IGG Water subsidy	3	3	3

Waste Landfill Sites

DETAIL	2008/09	2009/10	2010/11
Total tonnage of all waste landfill disposed:	60,000 ton	60,000 ton	99,030 ton
● Domestic/Commercial/Garden			
Total operating cost of solid waste management function	R5,000,000	R6,000,000	R3,018,575
NIGHT SOIL & VACUUM SERVICES			
● Households and businesses in KOSH area per month	2,132	1,713	665
● Total of vacuum tanks	340	290	280
Expenditure	R8.2 million	R8.6 million	R10,151,803



Sewerage

DETAIL	2008/09	2009/10	2010/11
Nr of sewer blockages cleaned:			
● main sewers	9,630	10,610	8,240
● private sewers	4,343	3,258	3,412
Nr of new sewer connections installed	30	25	15
Nr of services/repairs of sewer pump stations	50	160	35
Nr of purified sewer samples tested for quality	192	48	60
Length of main sewers cleaned on programme	10km	7 km	15 km

Building Construction

DETAIL	2008/09	2009/10	2010/11
	R	R	R
Value of work completed:			
● Maintenance on buildings	1,969,475	2,171,880	2,680,848
● Capital work			
Departmental	5,578,831	4,705,210	8,051,886
Consultants	960,402	3,523,022	9,040,732
MIG	2,561,006	4,265,916	2,565,530

Development Planning and Building Control

DETAIL	2008/09	2009/10	2010/11
Detail of building plans			
● Number of building plans approved (excluding low cost housing)	1,199	1,114	1,130
Value of building plans approved	R499,904,500	R474,618,400	R376,165,000
Number of applications received for:			
● Township establishment	7	6	3
● Rezoning	108	84	72
● Special consent	9	12	7

Roads & Storm-Water

DETAIL	2008/09	2009/10	2010/11
Total kilometers of existing roads maintained :			
● Tar	1,064 km	1,071.1 km	753,9 km
● Paved	43 km	48,9 km	83,03 km
● Gravel	611 km	587 km	467,5 km
Total kilometers of roads graded			
● Gravel	500 km	598,7 km	467,5 km
Estimated backlog in number of roads, in kilometers:			
● Tar and applicable storm-water systems	(Existing gravel roads) 611 km	(Existing gravel roads) 587 km	(Existing gravel roads) 468 km
Type of grants and subsidies received	PTIF – Integrated Transport Plan	PTIF - MIG Funding	PTIF - MIG Funding



Electrical Engineering

Electrical Distribution, Planning, Testing, Street Lighting

DETAIL	2008/09	2009/10	2010/11
OFFICE OF THE MANAGER			
● Typing of correspondence	1,789	2,143	1,604
COMPLAINT OFFICE			
● NER Records	39	16	23
PLANNING			
● Request for electrical supply	309	161	446
● Cost estimations	309	160	386
● Electrical inspections	593	163	110
● Electrical construction inspections	22	106	142
● Check for electricity theft	1,089	129	123

ELECTRICAL DISTRIBUTION			
● Maintain MV service connection	137	176	226
● Maintain transformers	24	12	138
● Maintain mini-substations	30	9	88
● Maintain LV service connections	12,200	9,297	10,549
● Streetlight complaints received	3,740	4,911	4,426
● Streetlight complaints repaired in 30 days	312	4,556	4,732
● Robot inspections	2,618	214	268
● Check batteries in substations	280	54	287
● Test protection relay's	83	18	0



Munic 11Kv Substation



Cable Theft

Fleet Maintenance

DETAIL	2008/09	2009/10	2010/11
FLEET MANAGEMENT			
● Inspections carried out	213	189	312
FLEET MAINTENANCE			
● Number of vehicles serviced	2,045	1,350	1,152
● Number of vehicle come-backs	61	3	5
● Number of other equipment repaired	1 005	381	198
● Number of equipment come-backs	21	44	11

Mechanical Workshop

DETAIL	2008/09	2009/10	2010/11
Welding Works	230	154	145
Water pumps received / repaired	53	98	191
Sewerage pumps received / repaired	208	238	378
Vehicles with lifting equipment repaired	41	44	67



Housing Services

PROJECT NAME	TOTAL HOUSES	FOUNDATION	TOP STRUCTURE	ROOF	HOUSES COMPLETED
Kanana Ext 10	300	255	250	221	221
Khuma Ext 6	300	300	300	300	300
Jouberton Ext 14	500	327	318	307	307
Jouberton Ext 16	300	294	290	290	290
Jouberton Ext 18	100	89	80	78	78
Jouberton Ext 19	700	693	693	667	667
Tigane Proper	300	22	22	22	22
TOTAL	2,500	1,980	1,953	1,885	1,885



Directorate Municipal and Social Services



Overview

The functions of the Directorate: Municipal and Social Services includes Refuse Removal, Environmental Management, Parks and Cemeteries, Sport, Arts and Culture, Libraries, Museum, Primary Health, Traffic, Licensing and Fire Services. Its vision is to provide an environment that has a positive influence on the day-to-day lives of our residents.

Operating Structure

The Directorate consists of a Director, three Deputy Directors and seven Assistant Directors taking charge of the different sections.

Currently a total of 1,215 employees are employed in four departments endeavoring to, with restricted resources, comply with the increasing demand of services.

Description of the Activity

Public Safety

- **Traffic:** To promote road safety in order to reduce road accidents, fatalities and injuries and to combat road traffic offences.
- **Fire and Rescue:** To preserve and enhance the quality of life and minimize the actual fire risks for the community through the application of a comprehensive fire and hazard prevention programmes and to provide quality fire prevention, suppression and rescue services.
- **Licensing:** To provide integrated and sustainable registration and licensing service to the community.

Community Services

- **Parks and Cemeteries:** To establish a user friendly, green, clean, neat and colourful city and to develop, cemeteries, parks, sidewalks and trees.
- **Refuse Removal Services:** To ensure a hygienic and pollution free environment, to deliver a refuse removal service for domestic and business users, street cleansing and additional refuse removal.

Sport, Arts & Culture

- **Libraries, Museum and Art Gallery:** To maintain the cultural heritage of the city, to provide educational programmes and library awareness programmes.
- **Sport:** maintain and operate sports and recreational facilities, sport fields and municipal swimming pools.
- **Arts & Culture:** To promote cultural events, communications and events management.

Health Services

Primary Health Care: To deliver, together with the Provincial Health Department, a comprehensive and integrated as well as accessible and sufficient primary health service to its residents. The city dispose over 12 clinics.

Key issues for 2011/2012

- To build and equip an environmental education centre at Faan Meintjes
- To address shortcomings by improve library services and maintenance
- To provide a library service in Khuma
- To purchase a fire engine
- To purchase mass refuse containers
- To replace the existing swimming pool in Klerksdorp
- To upgrade Council sport facilities
- To purchase movable eudiometry / spirometry machine with software
- To conducting health awareness campaigns for Council employees
- To renew lease contracts with various sport clubs
- To address shortcomings at the library to improve service
- To upgrade the licensing offices

Service Delivery

Public Safety

Traffic

DETAIL	2008/09	2009/10	2010/11
TRAFFIC VIOLATIONS			
Section 56 Summonses:			
● Speed	3,189	1,564	2,576
● Other	11,070	10,369	11,221
Section 341 Notices:			
● Parking Meters	12,950	15,222	17,448
● Other Parking Offences	4,083	10,862	7,088
● Camera: Speed & Robot	35,629	80,573	95,182
TOTAL	66,921	118,590	133,515

DETAIL	2008/09	2009/10	2010/11
CASE RESULTS OF TRAFFIC COURT ROLL			
● Number of Cases on the Court Roll	21,804	18,845	14,947
● Number of Cases Paid	3,058	1,426	354
● Number of Cases – Withdrawn/Scrapped	59	1,172	5,443
● Number of Cases – Postponed	4,041	7,324	91
● Warrant of Arrest Issued	4,045	5,990	7,206
● No Return of Services	4,612	3,145	10,850
CASE RESULT OF DRUNKEN DRIVING			
● Drunken Driving Cases dealt with	2,044	4,414	3,475
● Number of Cases – Guilty	6,806	2,617	235
● Number of Cases – Withdrawn/Scrapped	7,122	1,032	835
● Number of Cases – Postponed	330	432	3,372
CASE RESULT FOR RECKLESS/NEGLIGENT DRIVING			
● Reckless/Negligent Driving Cases dealt with	1,357	1,722	707
● Number of Cases Paid (Guilty)			87
● Number of Cases – Withdrawn/Scrapped	746	135	147
● Number of Cases – Postponed	441	680	461
● Other	22	20	136
TOTAL	56,497	48,954	48,346
TOTAL INCOME FROM TRAFFIC COURT	(R)	(R)	(R)
● Bail Money	4,700	32,950	38,150
● Admission of Guilt paid (Criminal)	37,700	105,750	108,400
● Court Fines	126,780	601,650	560,300
● Provincial Court Fines	1,580	1,900	4,050
TOTAL	170,760	742,250	710,900
SUMMONS ISSUED			
Section 56 Summonses issued – Traffic Officers			
● Speed	3,189	1,564	2,576
● Other	11,070	10,369	11,221
Summonses issued – Unpaid Section 341 Notices	18,156	11,084	13,162
TOTAL	32,415	23,017	26,959



DETAIL	2008/09	2009/10	2010/11
CASES WITHDRAWN BY SENIOR PUBLIC PROSECUTOR AS A RESULT OF REPRESENTATIONS:			
● Section 56 Summonses	79	343	855
● Section 341 Notices	953	668	1,850
● Camera Cases	6,328	2,515	2,609
TOTAL	7,360	3,526	5,314

DETAIL	2008/09	2009/10	2010/11
ADMISSION OF GUILT			
Magistrate Court	-	1,665,288	558,710
Matlosana Traffic Court			
● Contempt of Court	140,400	351,150	334,350
● Warrants of Arrest	223,030	609,100	707,080
● Easy Pay	991,950	1,595,247	2,897,070
At Traffic Department			
● Section 56 Summonses	1,587,850	2,899,660	3,894,372
● Section 341 Notices	1,528,750	379,790	323,115
TOTAL	4,471,980	7,500,235	8,714,697



DETAIL	2008/09	2009/10	2010/11
TOTAL INCOME PER ANNUM	(R)	(R)	(R)
● Traffic Fines	5,231,580	6,092,634	8,107,647
● Parking Meters – ADO	244,709	366,706	146,799
● Accident Reports	24,730	19,580	21,446
● Income from Parking Grounds	7,245	22,753	101,977
● Escort Fees			
Abnormal Loads	27,420	15,552	1,764
Fun Runs/Road Races/Cycle Races/Temporary Closing of Streets	39,810	109,510	28,262
● Hawkers	24,030	38,832	57,490
TOTAL	4,832,213	8,073,168	9,072,434
PARKING METERS – ADO			
● Number of Parking Meters	162	162	162
● Number of Operating Parking Meters	162	162	162
ARRESTS			
(Driving while under the influence of intoxicating liquor)			
● Males	657	718	514
● Females	11	7	13
TOTAL	668	725	527
ESCORTS / SPECIAL SERVICES RENDERED			
● Abnormal Loads	121	252	225
● Funerals	271	351	548
● Fun Runs/Road Race/Cycle Races	13	8	9
● Street Festival	0	1	2
● Street Braai/Street Closure	109	111	25
TOTAL	514	723	809



Fire and Rescue

DETAIL	2008/09	2009/10	2010/11
Fire suppression	230	172	229
Public education	2,451	3,895	2,051
Building plans	1,230	1,159	1,298
Site inspections – new	896	817	1,374
Site inspections – re-inspections	75	68	72
Flammable liquid registrations	189	127	153
Fire hydrant maintenance/inspection	1,732	1,840	1,662
Grass Fires	488	529	639
Training	2,451	16	12
Trade Licenses	217	251	471
Transport Permit	160	406	481
Complains	21	10	20
Pre – burn inspections	9	16	3
Pre – burns	2	14	13
Rescues	265	250	227

Licensing

DETAIL	2008/09	2009/10	2010/11
Registration of vehicles	32,358	33,296	36,543
Licensing/Renewal of vehicle licenses	94,359	98,625	98,686
Issue of Permits	6,355	5,786	6,015
Application and renewal of Motor Trade Plates	191	173	180
Application and issue of Business Licenses, Hawkers and stands	653	980	1,330
Application and issue of certification of roadworthy certificates of motor vehicles	5,483	4,849	4,316
Weighbridge certificate of vehicles	1,819	921	1,315
Application and issue of Learner's Licenses	15,203	12,822	14,740
Application and issue of Driver's Licenses	6,511	5,617	8,320
Application for Professional Driving Permits	3,310	3,116	3,492
Renewal of Driver's Licenses	12,547	11,918	11,444
Temporary Driver's Licenses	7,542	6,395	6,483
Road Traffic Management Corporation	84,480	88,657	89,782
Expenditure	R56,355,934	R90,948,914	R65,323,064
Income	R59,495,388	R58,138,533	R67,256,792

Temporary Driver's Licenses	7,542	6,395	6,483	471,091
Road Traffic Management Corporation	84,480	88,657	89,782	3,232,242

Community Services

Parks and Cemeteries

DETAIL	2008/09	2009/10	2010/11
CEMETERIES			
● Burials	2,426	3,167	3,600
● Memorials	639	746	909
Expenditure	R6,193,995	R7,561,358	R9,609,625
Income	R887,931	R918,574	R1,274,543
AERODROME			
● Aerodrome – cut grass	3	3	3
Expenditure	R197,103	Consolidated with cemeteries	Consolidated with cemeteries
Income	R11,009		
NATURE RESERVE			
● Visitors	3,571	3,985	3,359
Expenditure	R769,305	R769,271	R972,400
Income	R771,884 Include wild stock sales	R184,880 No wild stock sales	R172,926 No wild stock sales
TREES			
● Trimmed	1,296	±1,450	9,600
Expenditure	-	-	Costs consolidated
AUCTION KRAALS			
● Total auctions	49	50	50



Refuse Services and Environmental Management

DETAIL	2008/09	2009/10	2010/11
REFUSE REMOVAL SERVICE			
● Households and businesses in KOSH area per month	100,200	106,200	106,600
Expenditure	R22.6 million	R23.1 million	R26,071,641

Sport

DETAIL	2008/09	2009/10	2010/11
SWIMMING POOLS			
● Visitors - All pools	2,774	2,171	2,935
● Gala Events	3	3	1
Expenditure	R1,293,000	R1,882,000	R499,499
Income	R13,870	R8,430	R14,676
RECREATION			
● Total major events	3	4	6
Expenditure	R10,367,350	R10,525,140	Costs consolidated



Libraries and Museum

DETAIL	2008/09	2009/10	2010/11	COST (R)
Library Awareness Programmes	89	144	153	58,924
Install Book Detection System	-	1	In tender process	200,000
EDUCATION				
● Education programmes presented	43	59	81	50,000
● Lifelong learning classes presented	27	34	34	50,000
COLLECTIONS				
● Maintenance & Care of Objects	1,200	1,000	1,002	10,000
● Restoration of Objects	2	8	1 wagon	
● Digitized collection documentation	-	2,500	590	21,052
● Translation of documents	-	1,200	1,670	
EXHIBITIONS				
● Temporary exhibitions presented	2	2	3	68,000
● Existing exhibitions maintained	10	15	18	22,000
● New exhibition: Matlosana history			1	1,448,000
COMMUNITY PARTICIPATION				
● Meetings held with support groups	15	12	12	0
● Heritage meetings held	22	8	8	0
HERITAGE AWARENESS				
● Oral History Interviews		25	36	158,000
● Heritage mapping		1 (Klerksdorp)	1 (Khuma and Stilfontein)	
● Heritage Awareness Events	8	8	9	100,000

Directorate Financial Services

Overview

The Directorate plans, organizes and directs the financial matters of Council. It is directed by the Municipal Finance Management Act, Act 56 of 2003 (MFMA) and relevant financial reporting guidelines, circulars and regulations. It provides financial support to Council, Management and the Municipal Manager.

Operating Structure

The Directorate consist of the following sub units:-

- Budget & Treasury Office
- Expenditure Office
- Revenue Office
- Revenue Management
- ICT
- Supply Chain Management (SCM)

The Directorate Financial Services consists of 119 employees.

Description of the Activity

Some of the main activities are:-

- Long-term financial planning
- Financial Statements and managing of the Generally Recognized Accounting Practices (GRAP)
- Assets and insurances
- Cash flow and investments
- Expenditure, costing and budget control
- Supply Chain Management
- Valuations and property rates
- Information technology and networks
- Customer care services
- Debt collection

Key issues for 2011/2012

- To reduce disclaimers to obtain a clean audit report
- To control expenditure management to ensure financial sustainability
- To revise the Supply Chain Management policy to comply with legislation
- To collect revenue for property rates to comply with legislation
- To compile a new valuation roll to comply with legislation
- To increase Payments Received vs. Monthly Levies (Collection rate of billings)
- To control debt management to ensure financial sustainability
- To submit the 2010/11 Financial Statements on time to comply with legislation
- To identify the grants received as revenue to better service delivery
- To approve the Adjustment Budget to comply with legislation

Service Delivery

DETAIL	2008/09	2009/10	2010/11
Pay points in operation	14	14	15
Rates Clearance certificates received	2,190	2,831	2,772
Rates Clearance certificates issued	2,190	2,831	2,772

DETAIL	2008/09	2009/10	2010/11
Accounts issued	117,093	123,595	126,453
Accounts paid	56,622	49,872	51,491
Accounts in Arrears	60,471	73,723	74,962
Total Revenue	R1,171,785,556	R1,269,132,018	R1,419,439,444
Total Expenditure	R1,109,962,235	R1,334,639,750	R1,554,617,522

WATER RESTRICTIONS	2009/10			2010/11		
	RESTRIC-TED	UN-RESTRICTED	NOT UN-RE-STRICTED	RE-STRICTED	UN-RESTRICTED	NOT UN-RE-STRICTED
Jouberton	22,572	259	22,313	15,810	5,274	10,536
Alabama	1,560	29	1,531	1,780	2,669	889
Kanana	14,829	83	14,746	18,832	7,025	11,807
Khuma	9,552	0	9,552	12,422	6,303	6,119
Tigane	2,945	44	2,941	1,306	436	870
TOTAL	51,458	415	51,083	50,150	21,707	30,221

ELECTRICITY DISCONNECTIONS	2009/10			2010/11		
	DIS- CONNEC- TED	RE-CONNEC- TED	NOT RE- CONNEC- TED	DIS- CONNEC- TED	RE- CONNEC- TED	NOT RE- CONNECTED
Klerksdorp	9,745	4,905	4,840	14,631	8,453	6,178
Jouberton	21,980	4,755	17,225	11,761	5,359	6,402
Alabama	2,311	861	1,450	4,456	1,049	3,407
Orkney	3,441	1,058	2,383	1,372	502	870
Stilfontein	1,961	1,404	557	2,302	1,337	965
Hartbeesfontein	102	37	65	629	191	438
TOTAL	39,540	13,020	26,520	35,151	16,891	18,260

Supply Chain Management

DETAIL	2008/09	2009/10	2010/11
Number of Bid Committee Meetings	76	71	13
Supply Chain Workshop	5	3	2
Number of Tenders approved	71	81	38
Supplier Tendering workshops	7	2	0
Time taken to approve tenders (weeks)	5	7	6

Directorate Corporate Governance



Overview

The function of the directorate is to ensure smooth administration of Council by providing timeous compilation and delivery of committee and Council agendas to councillors and directors.

Duties also include providing legal advice, check compliance with various legislative and policy frameworks, as well as the management of information and providing communication strategy that will enhance participatory democracy.

The Political Offices operate within the ambit of legislation governing local government and good governance and provide administration, timeous and effective execution of tasks as well as providing an environment conducive for public participation.

Human Resource Management provide and establish a stable and productive workforce for the functioning of Council's departments and strive for a cost effective personnel management system and procedures, as well as training for all staff members of Council.

Operating Structure

The Division consists of a Director, three Deputy Directors and seven Assistant Directors who are responsible for the following sections, Administration, Legal Services, Human Resource Management, Corporate Communications and the Political Offices, which includes the Offices of the Executive Mayor, Speaker and Single Whip

The Directorate Corporate Governance consists of 119 employees.

Description of the Activity

- **Administration:** Committee Secretariat, Typing, Printing, Record and Hall Booking Services.
- **Legal Services:** Provide a proper legal service to Council and the Municipal Manager, as well as the Executive Mayor and his Members of Mayoral Committee and other Structures in Council. The provision of proper, timeous and effective land administration service within the parameters of legality
- **Human Resource Management:** Provide Personnel Administration, Labour Relation Services, Training / Capacity Building, Employee Assistance Programme and Occupational Health and Safety services.
- **Corporate Communications:** Ensure press statements, media enquiries, internal newsletters, research media coverage and monitoring graphic designs.
- **Office of the Executive Mayor:** Exercise the powers delegated to the Executive Mayor, by the Municipal Council, as set out in Chapter 4 of the Local Government: Municipal Structures Act, 1998.
- **Office of the Speaker:** Preside and maintain order during Council meetings, ensure that Council meets regularly and ensure compliance with the Code of Conduct for Councillors, as set out in Schedule 5 to the Local Government: Municipal Structures Act, 1998.
- **Office of the Single Whip:** Provide effective, transparent, accountable and coherent corporate governance and conduct effective oversight of the affairs of councillors irrespective of political party affiliation.

Key issues for 2011/2012

- To upgrade Council's facilities by renovating Council's aging community hall infrastructure
- To fence the Tshepo Thamba crèche to enhance safety of the premises
- To install a clock card system to ensure effective personnel control
- To develop an Engagement of Attorneys policy to regulate the allocation of cases and opinion to attorneys
- To revise the land alienation policy
- To spent a percentage of municipality's budget on implementing its workplace skill plan (National Indicator)
- To approve the Workplace Skills Plan to comply with legislation
- To develop and enhance employee wellness
- To revise the Communication Policy to create internal and external awareness on corporate communication
- To conduct Mayoral Committee meetings to comply with legislation
- To motivate ward committees for quality performance
- To promote socio-economic well being of Councillors

Service Delivery

Administration

DETAIL	2008/09		2009/10		2010/11	
	Ordinary Meetings	Special Meetings	Ordinary Meetings	Special Meetings	Ordinary Meetings	Special Meetings
Finance and Debt Normalization	11	12	9	3	8	6
Corporate Governance	11	1	9	0	8	1
Transversal Issues	11	0	9	1	8	1
Infrastructure	11	0	9	0	8	1
Public Safety	11	0	9	0	8	0
Community Services	11	0	9	0	8	0
Economic Growth and Market	11	0	9	0	8	0
Housing, Land Affairs and Town - Planning	11	2	9	1	8	0
Sports, Arts & Culture	0	0	1	1	8	0
Land & Rural Development	0	0	1	0	8	1

DETAIL	2008/09	2009/10	2010/11
Section 80 Committee Meetings:			
● Anglo Gold	5	2	2
● Orkney Vaal	3	1	3
● Project Monitoring	11	6	9
● Heritage Committee	12	6	0
● Oversight Committee	13	11	8
● Property Rates	7	0	0
● Budget Steering	22	9	13
● Audit Committee	1	2	1
● ISAGO@N12	-	3	0
● Special Investigation Committee	-	20	10
Notices Published	23	13	26

Booking of Halls:			
● Mayoral Hall	121	83	112
● Arts Hall and Big Bar	123	101	218
● Auditorium	92	132	113
● Banquet Hal	70	64	75
● Ballroom Hall	70	80	100
● Johan de Witt Hall	54	40	48
● Jouberton Hall	0	164	182
● Alabama Hall	67	124	115
● Manzilpark Hall	57	122	38
● Kanana Hall	0	0	64
● Khuma Hall	0	0	32
● Tigane Hall	0	0	41
● People's hall	79	164	69
● Ou Kerk	54	27	49
Typing Services:			
● Letters	446	313	404
● Items/Reports	62	37	49
● Sundry	100	25	20

DETAIL	2008/09		2009/10		2010/11	
	Incoming	Outgoing	Incoming	Outgoing	Incoming	Outgoing
Letters	3,214	3,100	1,858	1,940	2,688	2,752
Faxes	730	950	2,175	2,390	792	1,299

Legal Services

DETAIL	2008/09	2009/10	2010/11
Cases against Council	14	19	29
Cases for Council	26	58	43
Cases won	15	17	27
Cases settled	8	20	14
Cases outstanding	40	56	52
Cases referred to the High Court	7	11	20
Total Expenditure	R4,400,000	R4,947,792	R6,813,206

Land Affairs

DETAIL	2008/09	2009/10	2010/11
1. <u>REPORTS SUBMITTED</u>			
A. <u>ALIENATION</u>			
(a) New applications			
i) Residential erven	21	9	12
ii) Church erven	6	4	26
iii) Crèche erven	4	2	16
iv) Business erven	5	11	31

v) Park erven/public open spaces	2	2	1
vi) Other portions of land (e.g. Townlands of Klerksdorp, etc)	4	2	14
vii) Streets	-	1	1
b) Price Determination	4	5	14
c) Other (e.g. referred back, amendment of conditions, objections, etc).	34	12	42
B. LEASING			
a) New applications	1	2	4
b) Other (e.g. referred back, amendment of conditions, etc)	5	0	-
TOTAL	86	50	161
2. LETTERS			
a) Incoming (all from mail register)	1,016	780	1,156
b) Outgoing	686	538	381
c) Notices	18	14	3
i) Alienation (objections)	0	0	2
ii) Permanent closing (objections)	0	0	1
TOTAL	1,720	1,332	1,543
3. INSPECTION IN LOCO			
a) New applications	-	7	44
b) Leased Land	-	6	16
c) Disputes	-	9	16
TOTAL	-	22	76
4. MEETINGS			
a) Disputes	-	7	10
b) Complaints	-	3	11
c) With Other Stakeholders	-	-	79
d) Other	-	-	40
TOTAL	-	10	140

Personnel Management Services

Personnel Administration

DETAIL	2008/09	2009/10	2010/11
Pension	33	43	63
Resignations	35	13	37
Deaths	33	18	59
Other	12	0	56
IOD	71	23	65
Medical Board in process	4	16	2
Medical Board application	-	5	1
Death Claims	33	38	59
Posts in Council	3,301	3,097	3,137
Posts Filled	1,921	2,706	2,294
Posts Vacant	1,380	991	843

Skills Development

DETAIL	2008/09	2009/10	2010/11
Skills Development	187	555	41
Workshops	18	5	0
Meetings	11	12	12
Training:			
● Male	338	404	331
● Female	216	151	290

Labour Relation Services

DETAIL	2008/09	2009/10	2010/11
New Grievances Filed	10	13	8
Grievances Settled	3	4	3
Suspensions	5	7	8
Appeals settled	0	0	3
DC Hearings at Central Committee	16	33	32
Conciliations/Arbitrations	28	15	19
Dismissals	14	5	7
Disciplinary Hearings Outstanding	8	25	17
Local Labour Forum	9	6	10

Employee Assistance Programmes

DETAIL	2008/09	2009/10	2010/11
New Clients	61	26	65
Closed Cases	44	52	28
Total in Treatment	104	75	98
In-house Counseling	285	163	126
Referrals	5	5	1
Total refused referred to EAP	0	1	4

Occupational Health & Safety

DETAIL	2008/09	2009/10	2010/11
Number of recorded incidents	26	20	43
Number of fatal incidents reported	0	1	1
Number of safety inspections conducted	32	19	54
Number of construction projects inspected	12	7	1
Number of safety audits	0	1	2
Number of public fatal injuries / drowning	1	0	1

Office of the Executive Mayor

DETAIL	2008/09	2009/10	2010/11
Mayoral Committee meetings	10	8	8
Special Mayoral Committee meetings	6	21	19

Office of the Speaker

DETAIL	2008/09	2009/10	2010/11
Council meetings	10	8	12
Special Council meetings	6	8	5
Ward committee meetings / Mass meetings	205 / 189	226 / 149	250 / 164

Ward and mass meetings held per ward for the 2010/2011 financial year are as follows:-

WARD	WARD MEETINGS	MASS MEETINGS	WARD	WARD MEETINGS	MASS MEETINGS
Ward 1	6	2	Ward 17	8	3
Ward 2	9	10	Ward 18	10	10
Ward 3	9	9	Ward 19	7	2
Ward 4	8	4	Ward 20	9	6
Ward 5	9	3	Ward 21	9	8
Ward 6	9	8	Ward 22	10	10
Ward 7	5	2	Ward 23	7	4
Ward 8	10	1	Ward 24	8	7
Ward 9	8	0	Ward 25	9	10
Ward 10	9	8	Ward 26	10	10
Ward 11	4	0	Ward 27	10	9
Ward 12	4	0	Ward 28	6	5
Ward 13	6	0	Ward 29	10	9
Ward 14	9	5	Ward 30	6	0
Ward 15	9	7	Ward 31	8	4
Ward 16	9	8	TOTAL	250	164

Directorate Economic Growth



Overview

The function of the Directorate is to formulate and implement strategies that will create an environment conducive to sustainable economic growth and development. It furthers brands, promotes and enhances the public image of council in line with council policies and most importantly Agenda 16.

The Fresh Produce Market creates awareness across the North West Province, the neighboring provinces and countries by providing an efficient, effective and flexible trading platform within the Fresh Produce industry thereby becoming a trading platform of choice in South Africa, resulting in driven competitiveness.

Operating Structure

The Directorate provides the following services:-

Local Economic Development:-

- LED
- City Branding & Marketing

Fresh Produce Market

- Operational
- Administration

The Directorate Economic Growth consists of 55 employees.

Description of the Activity

Local Economic Development

- LED: Reduction of unemployment, stimulation of SMME growth and poverty alleviation.
- City Branding & Marketing: Promote, brand awareness, building and investor relations.

Fresh Produce Market

- Finance, administration and cashier service, as well as responsible for the infrastructure, operations and security service.
- Assisting emerging farmers to sell their produce.

Key issues for 2011/2012

- To build flea market shelters
- To purchase farming equipment
- To conduct regeneration studies
- To upgrade the market hall
- To revise LED strategies
- To assist SMME's
- To upgrade the Freshmark System

Service DeliveryLocal Economic Development

DETAIL	2008/09	2009/10	2010/11
Number of SMME's assisted	591	650	710
Number of long-term jobs created	819	1,012	1,017
Training provided in house for SMME's	4	4	4
Number of funding facilitated	8	12	20
Youth workshops	1	1	1
Disabled workshops	1	2	1
SMME Training Facilitated (External)	4	4	5

City Branding & Marketing

DETAIL	2008/09	2009/10	2010/11
2010 Meetings	8	16	4
Meeting with Business	6	12	21
Website hit rate	4,943	12,980	20,120
SMME Tourism Development	14	16	18
Branding events	20	22	46
Advertising	16	24	26
Tourism Office (Activities)	4	6	10

Fresh Produce Market

DETAIL	2008/09	2009/10	2010/11
Rental Estate	R675,952	R675,722	R701.800
Market Dues	R11,761,564	R12,215,987	R12,462,235
Fees Ripe & Cool	R342,739	R313,296	R344,699
Buyer Cards	R4,284	R3,711	R4,053
Rental Transport	R55,413	R72,506	R58,777



Additional Information

There are currently five (5) market agents who are to ensure the availability of produce on the floor and selling the said produce on behalf of the producer.

- J Francis and Sons
- Garfield Market Agents
- Subropico
- WL Ochse
- Matlosana Market Agency (SMME)

NOTES

[illegible]



7

Audit Report and Financial Statements



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

REPORT OF THE AUDITOR-GENERAL TO THE NORTH WEST PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE CITY OF MATLOSANA

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I was engaged to audit the accompanying financial statements of the City of Matlosana, which comprise the appropriation statement, statement of financial position as at 30 June 2011, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 91 to 148.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and in the manner required by the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2010 (Act No. 1 of 2010) (DoRA). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with the International Standards on Auditing and *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*. Because of the matters described in the basis for disclaimer of opinion paragraphs, however, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for disclaimer of opinion

Property, plant and equipment

4. As reported in the prior year, my opinion on the corresponding figure of R2 380 492 591 for property, plant and equipment was modified. SA Standards of GRAP, GRAP 17, *Property, Plant and Equipment* require that the repairs and maintenance cost of an asset be recognised as expenditure. Contrary to this, the municipality capitalised repairs and maintenance costs of R12 773 515 as property, plant and equipment. Consequently, the corresponding figure of property, plant and equipment is overstated by R12 773 515 and the corresponding figure of repairs and maintenance expenses understated by the same amount.
5. SA Standards of GRAP, GRAP 3, *Accounting Policies, Changes in Accounting Estimates and Errors* require that prior year errors identified during the current year be restated retrospectively. Duplicated infrastructure assets with a carrying value of R221 565 011 and municipal properties not previously recognised with a value of R98 398 595 were corrected on the asset register in the current year, but was not retrospectively restated in the financial statements. Consequently, the corresponding figure for property, plant and equipment is overstated by R123 166 416 in the statement of financial position.



6. The municipality could not provide sufficient appropriate audit evidence to substantiate a correction of R48 912 345 made to the prior year opening balance of infrastructure assets of R2 105 276 872. The municipality's records did not permit the application of alternative audit procedures regarding the retrospective adjustment. Consequently, I was unable to verify the accuracy of the retrospective adjustment to infrastructure assets and the accumulated surplus.
7. I was unable to verify the existence and rights of property, plant and equipment of R1 686 818 733 (2010: R2 323 900 341) and rights of motor vehicles of R22 105 800 included in the property, plant and equipment of R2 256 367 451 (2010: R2 380 492 591) disclosed in the statement of financial position. The limitation is due to inadequate descriptions in the asset register to enable me to verify the existence and rights of these assets. Sufficient appropriate audit evidence I considered necessary to verify these balances was not provided. The municipality's records did not permit the application of alternative audit procedures regarding the existence and rights of these assets.
8. I was unable to verify the valuation and allocation and completeness of property, plant and equipment of R2 031 251 754 (2010: R2 284 576 863) included in the property, plant and equipment balance of R2 256 367 451 (2010: R2 380 492 591) disclosed in the statement of financial position. SA Standards of GRAP, GRAP 17, *Property, Plant and Equipment* require that each part of an item of property, plant and equipment be recognised separately. The municipality has not yet completed its process to adhere to this requirement in respect of infrastructure assets. Inadequate descriptions in the asset register also contributed to this limitation. Sufficient appropriate audit evidence I considered necessary to verify these balances was not provided. The municipality's records did not permit the application of alternative audit procedures to enable me to verify the valuation and allocation and completeness of these assets.
9. The municipality's valuation method used to value land, included both the value of the land and the value of the buildings on the land, while the value of the buildings were already accounted for separately, resulting in a duplication. Consequently, land and buildings of R252 298 626 included in property, plant and equipment of R2 256 367 451 disclosed in the statement of financial position and the accumulated surplus are overstated by R109 214 505.
10. SA Standards of GRAP, GRAP 17, *Property, Plant and Equipment* require that an item that meets the definition of property, plant and equipment be recognised at cost less accumulated depreciation. Contrary to this requirement, the municipality incorrectly expensed all assets with a cost of less than R2 000, totalling R15 426 586 (2010: R15 252 049), in the current year. Furthermore, assets of R22 607 502 acquired during the year were incorrectly expensed as repairs and maintenance. The municipality's records did not permit the application of alternative audit procedures. Consequently, I could not determine the effect on the other account balances or classes of transactions contained in the financial statements.
11. The municipality did not annually review the residual values and useful lives of property, plant and equipment as required by SA Standards of GRAP, GRAP 17, *Property, Plant and Equipment*. This is evidenced by assets with a cost of R180 675 443 (2010: R165 060 938) being included in the financial statements at a zero net carrying value while still being in use. I was unable to confirm or verify by alternative means the value of property, plant and equipment of R2 256 367 451 (2010: R2 380 492 591) in the statement of financial position or the depreciation and amortisation expense of R175 297 777 (2010: R170 748 877) disclosed in the statement of financial performance. Consequently, I did not obtain sufficient appropriate audit evidence to confirm the valuation of property, plant and equipment or the accuracy, occurrence and completeness of the depreciation and amortisation expense.
12. The municipality's accounting policy for property, plant and equipment implies the use of the revaluation method to measure property, plant and equipment. When opting to use the revaluation method, the SA Standards of GRAP, GRAP 17, *Property, Plant and Equipment* requires that assets be carried at revalued amounts less accumulated depreciation. This requirement was however not adhered to, as the assets included in the infrastructure assets balance of R1 833 564 193 (2010: R2 079 009 201), community assets balance of R68 162 749 (2010: R55 886 945), heritage assets balance of R1 607 084 (2010: R1 485 811) and other property, plant and equipment balance of R100 734 799 (2010: R94 429 917) are



carried at cost less accumulated depreciation and no revaluations were performed to ensure that assets were correctly valued. The municipality's records did not permit the application of alternative audit procedures to determine the impact of the incorrect implementation of the accounting policy on the account balances and classes of transactions. Consequently, I was unable to confirm the valuation of property, plant and equipment of R2 256 367 451 (2010: R2 380 492 591) as per the statement of financial position.

Investment property

13. SA Standards of GRAP, GRAP 16, *Investment Property*, require that property held for capital appreciation to earn rentals or land held for a currently undetermined use, be recognised as investment property. Included in investment properties of R67 144 400 (2010: R67 144 400) in the statement of financial position, are properties of R57 270 973 (2010: R57 270 973) which do not meet the requirement to be recognised as investment properties. These properties do however meet the definition of owner occupied land and buildings, which in accordance with Generally Recognised Accounting Practice, GRAP 17, *Property, plant and equipment* should have been included in the balance of property, plant and equipment of R2 256 367 451 (2010: R2 380 492 591) in the statement of financial position.
14. Municipal properties of R861 759 867 were not accounted for. The municipality's records did not contain sufficient information to identify these properties as either being investment properties, owner occupied land and buildings or properties in the process of being transferred. Consequently, I was unable to determine the impact of these unaccounted properties on the investment property balance of R67 144 400, the land and buildings balance of R252 298 626 included in the property, plant and equipment balance of R2 256 367 451 or the balance of unsold properties of R647 771 included in the inventories balance of R44 664 689 disclosed in the statement of financial position.
15. In addition to the properties mentioned in the preceding paragraph, further properties with a total value of R50 253 552 were identified on the municipality's valuation roll as being owned by the municipality, but not accounted for in its records. I was unable to obtain sufficient appropriate audit evidence I considered necessary to verify the completeness of these properties. Consequently, I was unable to determine the completeness of the investment property balance of R67 144 400, the land and buildings balance of R252 298 626 included in the property, plant and equipment balance of R2 256 367 451 and the balance of unsold properties of R647 771 included in the inventories balance of R44 664 689 disclosed in the statement of financial position.

Borrowing costs

16. SA Standards of GRAP, GRAP 5, *Borrowing Costs*, requires an entity to capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The municipality does not have an appropriate system to account for borrowing costs and as a result it did not permit the application of alternative audit procedures. Consequently, I was unable to confirm that finance costs of R19 460 557 incurred during the year as per the statement of financial performance was appropriately classified and that property, plant and equipment of R2 256 367 451 disclosed in the statement of financial position is complete.

Trade and other receivables from exchange transactions

17. I was unable to determine whether the municipality used objective evidence to calculate the amount of the provision for impairment of receivables of R46 822 580 (2010: R89 582 181) disclosed in note 8 to the financial statements, as required by the South African Statement of Generally Accepted Accounting Practice, IAS 39 (AC 133), *Financial Instruments Recognition and Measurement*. The municipality's records did not permit the application of alternative audit procedures regarding the calculation of the provision for impairment of these receivables. Consequently, I did not obtain all the information and explanations I considered necessary to confirm the correctness of the valuation of the provision for impairment of these receivables.



18. I was unable to agree trade and other receivables from exchange transactions of R17 191 261 (2010: R7 917 800) disclosed in note 8 to the financial statements to substantiating evidence, due to limitations placed on the scope of my work by the municipality. The municipality's records did not permit the application of alternative audit procedures regarding these receivables. Consequently, I was unable to obtain sufficient appropriate audit evidence to verify the existence, rights and obligations, completeness, valuation and allocation of the trade and other receivables from exchange transactions balance.
19. The municipality was unable to provide sufficient appropriate audit evidence to substantiate sundry debtors of R45 570 073 (2010: R102 878 854) disclosed in note 8 to the financial statements. The municipality's records did not permit the application of alternative audit procedures regarding these sundry debtors. Consequently, I was unable to verify the existence, rights, valuation and allocation of these sundry debtors.

Consumer debtors

20. As reported in the prior year, my opinion on the corresponding figure of R112 121 000 for consumer debtors as per the statement of financial position was modified. Included in consumer debtors of R112 121 000 disclosed in the corresponding figures in note 9 to the financial statements, is a balance of R100 227 630 which relates to consumer debtors that entered into an agreement with the municipality to repay debt over a period without levying any interest on the outstanding amount. This amount was however not valued at amortised cost as required by South African Statement of Generally Accepted Accounting Practice, IAS 39 (AC 133), *Financial Instruments Recognition and Measurement*, resulting in the corresponding figure for consumer debtors being overstated by R14 800 920 and the deficit for that year being understated by R14 800 920.
21. The municipality was unable to provide sufficient appropriate audit evidence to substantiate consumer debtors of R650 841 929 (2010: R802 078 742) disclosed in note 9 to the financial statements. The municipality's records did not permit the application of alternative audit procedures regarding these consumer debtors. Consequently, I was unable to verify the existence, rights, valuation and allocation of consumer debtors.
22. I was unable to determine whether the municipality used objective evidence to calculate the amount of the provision for impairment of consumer debtors of R530 221 062 (2010: R689 957 742) disclosed in note 9 to the financial statements, as required by the South African Statement of Generally Accepted Accounting Practice, IAS 39 (AC 133), *Financial Instruments Recognition and Measurement*. The municipality's records did not permit the application of alternative audit procedures regarding the calculation of the provision for impairment of debtors. Consequently, I did not obtain all the information and explanations I considered necessary to confirm the correctness of the valuation of the provision for impairment of consumer debtors.
23. The municipality could not provide sufficient appropriate audit evidence to substantiate bad debts written off of R72 745 842 included in consumer debtors written off of R440 489 529 disclosed in note 9 to the financial statements. The municipality's records did not permit the application of alternative audit procedures regarding these write-offs. Consequently, I was unable to verify the occurrence, accuracy completeness and cut-off of these debts written off.
24. Section 96 of the Municipal Systems Act (MSA) requires municipalities to collect all money due to them in terms of an adopted debt collection policy. The municipality however wrote off consumer debt of R385 488 196 without following the adopted debt collection policy. Consequently, in view of the prescribed policy not being followed, the amount written off is considered still payable to the municipality, resulting in the understatement of R385 488 196 of consumer debtors disclosed in the statement of financial position.

Trade and other payables from exchange transactions

25. The municipality could not provide sufficient appropriate audit evidence to substantiate trade and other payables of R19 822 862 (2010: R19 256 593) included in the balance of R256 644 984 (2010: R104 020 383) disclosed in the statement of financial position. The



municipality's records did not permit the application of alternative audit procedures regarding these trade and other payables. Consequently, I was unable to satisfy myself as to the existence, rights, valuation and allocation of trade and other payables disclosed in the statement of financial position.

26. Unclaimed VAT of R27 882 045 was not recorded in the accounting records of the municipality resulting in the VAT payable of R30 045 576 disclosed in the statement of financial position being overstated by R27 882 045. The latter resulted in the overstatement of additions to property, plant and equipment of R2 131 989 and expenditure of R16 049 954 and the understatement of revenue of R5 368 713 and long term liabilities of R4 331 388.
27. Sufficient appropriate audit evidence could not be provided to substantiate an unexplained difference of R11 418 890 between the municipality's accounting records and the VAT returns. The records of the municipality did not permit the application of alternative audit procedures regarding this difference. Consequently, I was unable to verify the completeness, classification, valuation and obligation of the VAT payable of R30 045 576 disclosed in the statement of financial position.

Unspent conditional grants and receipts

28. As disclosed in note 36 to the financial statements, the corresponding figure for unspent conditional grants is restated by R31 243 744 to address a prior year misstatement. No supporting documentation was available for the restatement and it could not be confirmed whether the balance was restated retrospectively. SA Standards of GRAP, GRAP 3, *Accounting Policies, Changes in Accounting Estimates and Errors* requires errors to be restated retrospectively. Consequently, I was unable to obtain sufficient appropriate audit evidence to confirm the existence, completeness, valuation and allocation of and obligation pertaining to the unspent conditional grant corresponding figure of R17 553 901 disclosed in the statement of financial position.
29. As reported in the prior year, my opinion on the corresponding figure of R17 553 901 for unspent conditional grants was modified. The municipality could still not provide sufficient appropriate audit evidence to support a difference of R12 479 631 between recognised revenue (conditions met) of R80 168 201 and expenditure of R67 688 670 in the statement of financial performance. Consequently, I did not obtain sufficient appropriate audit evidence to confirm the valuation, rights and obligations, existence and completeness of the corresponding figure for unspent conditional grants and receipts of R17 553 901 disclosed in the statement of financial position.

Provisions

30. Provisions of R299 544 623 (2010: R253 631 570) disclosed in the statement of financial position includes the non-current portion of these provisions, which should be disclosed separately. The municipality's records did not permit the application of alternative audit procedures to determine the value of the short term and long term portions respectively. Consequently, a portion of provisions are incorrectly classified as current liabilities and non-current liabilities are understated.

Consumer deposits

31. The municipality could not provide sufficient appropriate audit evidence to substantiate consumer deposits of R 21 506 788 (2010: R14 918 885) disclosed in the statement of financial position. The municipality's records did not permit the application of alternative audit procedures regarding these deposits. Consequently, I was unable to verify the existence, rights, valuation and allocation of consumer deposits disclosed in the statement of financial position.

Revenue

32. As reported in the prior year, my opinion on the corresponding figure of R191 285 747 for revenue generated from rates disclosed in the statement of financial performance was



modified. Consequently, the corresponding figure for revenue, consumer debtors and the net deficit are understated by R53 121 260.

33. As reported in the prior year, my opinion on the corresponding figure of R513 206 881 for revenue generated from service charges disclosed in the statement of financial performance was modified. Revenue from service charges did not include revenue from water and electricity consumed during the period from the last meter reading to 30 June 2010 (R33 855 526) but incorrectly included sales for the similar period relating to the prior year (R22 166 779). SA Standards of GRAP, GRAP 1, *Presentation of Financial Statements*, require revenue to be recognised when it accrues to the municipality. The corresponding figure for revenue and consumer debtors are therefore understated by R11 688 748.
34. As reported in the prior year, my opinion on the corresponding figure of R12 561 486 for other revenue disclosed in the statement of financial performance was modified. Revenue from the sale of stands of R38 056 223 was not recognised as revenue in the statement of financial performance as required by the SA Standards of GRAP, GRAP 9, *Revenue from Exchange Transactions*. The corresponding figure for revenue, receivables and the VAT payables are therefore understated by R38 056 223, R43 384 094 and R5 327 871 respectively.
35. The corresponding figures for revenue and other income as per the statement of financial performance has been restated by R114 428 630 and R1 083 983 respectively, to address prior year misstatements. Sufficient appropriate audit evidence for the restatement of R15 345 014 on revenue and R1 083 983 on other revenue could however not be submitted for audit. Consequently, I was unable to verify the completeness, accuracy and classification of the corresponding figure of R1 035 489 671 for revenue and R175 431 182 for other income disclosed in the statement of financial performance.
36. I was unable to obtain sufficient appropriate audit evidence to substantiate revenue of R144 741 554 (2010: R132 336 285) for "Transfer of reserves and funds" included in other income of R213 838 727 (2010: R175 431 182) disclosed in the statement of financial performance. The municipality's records did not permit the application of alternative audit procedures regarding these revenue transactions. Consequently, I was unable to verify the occurrence, accuracy and classification of other income disclosed in the statement of financial performance.
37. I was unable to obtain sufficient appropriate audit evidence to substantiate revenue of R68 376 758 for rental income, sale of stands and other income included in other income of R213 838 727 in the statement of financial performance. The municipality's records did not permit the application of alternative audit procedures regarding these revenue transactions. Consequently, I was unable to verify the occurrence, accuracy and classification of other income disclosed in the statement of financial performance.

Expenditure

38. As reported in the prior year, my opinion on the corresponding figure of R1 315 127 455 for operating expenses disclosed in the statement of financial performance was modified. I was still unable to obtain sufficient appropriate audit evidence for expenditure of R82 691 092 included in the corresponding figure of operating expenses disclosed in the statement of financial performance. Consequently, I could not determine the occurrence, accuracy, classification, cut-off and completeness of the corresponding figure of R1 315 127 455 for operating expenses.
39. A prior year error relating to the overcharging of property rates was incorrectly corrected by writing off the amount as bad debt in the current year. SA Standards of GRAP, GRAP 1, *Presentation of Financial Statements*, requires expenses to be recognised when it accrues to the entity. Consequently, expenditure and the net deficit for the current year are both overstated by R53 121 260.
40. Infrastructure assets with a carrying value of R199 603 725 were identified during the current financial year as being double accounted for in the records of the municipality. The municipality corrected this error by incorrectly expensing these assets in the current year. Furthermore, depreciation on these infrastructure assets were also incorrectly included in the



current year's depreciation expense of R21 961 286. Consequently, operating expenses of R1 535 156 965 disclosed in the statement of financial performance is overstated by R221 565 011.

41. There is an unexplained difference of R29 594 321 (2010: R13 959 022) between the movement of the provision for impairment of receivables disclosed in notes 8 and 9 to the financial statements and the debt impairment expense of R221 725 567 (2010: R208 466 144) included in operating expenses of R1 535 156 965 (2010: R1 315 127 455) disclosed in the statement of financial performance.
42. The municipality could not provide sufficient appropriate audit evidence to substantiate an adjustment of R51 651 711 in the corresponding figure for employee related costs of R342 230 715 disclosed in note 23 to the financial statements. Consequently, I was unable to verify the accuracy, occurrence and completeness of this corresponding figure and the corresponding figure for the accumulated surplus of R2 132 535 789 as disclosed in the statement of financial position.

Accumulated surplus

43. The corresponding figure for the accumulated surplus disclosed in the statement of financial position has been restated by R353 176 193 to correct prior year misstatements, however note 36 only disclose detail of adjustments of R302 336 463. The difference of R50 839 730 could not be explained by management. Consequently, I was unable to confirm the completeness, valuation and allocation of the accumulated surplus corresponding figure of R2 132 535 789 disclosed in the statement of financial position.
44. The corresponding figure of R2 132 535 789 for the accumulated surplus disclosed in the statement of financial position does not agree with the accumulated surplus balance of R1 890 181 535 disclosed in the statement of changes in net assets. Management could not provide sufficient appropriate audit evidence or an explanation for the difference of R242 354 789. Consequently, I did not obtain sufficient appropriate audit evidence to verify the valuation, rights and obligations, existence and completeness of the accumulated surplus. I could not determine the effect on the other account balances or classes of transactions contained in the financial statements.

Cash flow statement

45. Presentation of a cash flow statement, summarising the entity's operating, investing and financing activities is required by SA Standards of GRAP, GRAP 2, *Cash Flow Statements*. The calculation of net cash flows from operating activities and cash flows from financing activities did not appropriately account for non-cash items. The municipality's records did not permit the application of alternative audit procedures to determine the extent of the misstatement. Consequently, I did not obtain sufficient appropriate audit evidence to confirm the accuracy of the cash flow statement.

Capital commitments

46. I was unable to obtain sufficient appropriate audit evidence to substantiate capital commitments of R77 796 073 (2010: R53 119 409) included in the balance of R122 182 314 (2010: R143 029 069) disclosed in note 33 to the financial statements. The municipality's records did not permit the application of alternative audit procedures. Consequently, I did not obtain sufficient appropriate audit evidence to confirm the valuation of capital commitments.
47. There was no contract management system in place for the identification of authorised capital expenditure (capital commitments). Alternative audit procedures indicate that capital commitments disclosed in note 33 are understated by at least R37 422 137. Consequently, I was unable to obtain sufficient appropriate audit evidence to confirm the completeness of capital commitments of R122 182 314 disclosed in note 33.

Unauthorised expenditure

48. Section 125 of the MFMA requires disclosure of material unauthorised expenditure in the



financial statements. According to the municipality's records, unauthorised expenditure of R154 865 861 (2010: R324 708 853) was incurred during the year as a result of overspending of the approved budget. This unauthorised expenditure was however not disclosed in the notes to the financial statements.

Irregular expenditure

49. Section 125 of the MFMA requires disclosure of material irregular expenditure; however the municipality did not disclose any irregular expenditure for the current year in note 43 to the financial statements. During the audit I found that the municipality made awards of R6 305 771 (2010: R7 961 710) to suppliers where councillors or officials of the municipality held interests, contrary to regulation 44 of the Municipal Supply Chain Management Regulations (SCM) and further irregular expenditure of R57 290 681 incurred as a result of contraventions with the SCM regulations. As a result irregular expenditure disclosed in note 43 to the financial statements is understated by R63 596 452.
50. I was unable to obtain sufficient appropriate audit evidence for awards of R359 747 036 (2010: R105 442 915) made in terms of the municipality's SCM policy. The municipality's records did not permit the application of alternative procedures. Consequently, I did not obtain sufficient appropriate audit evidence to verify that all material irregular expenditure has been disclosed in the notes to the financial statements.

MFMA disclosures

51. Section 125(1)(c) of the MFMA requires the disclosure of the total amounts paid in audit fees, taxes, levies, duties and pension and medical aid contributions and whether any amounts were outstanding at the end of the financial year. The amounts disclosed in note 44 to the financial statements for medical and pension contributions and taxes and levies are incorrect. Medical and pension fund contributions are understated by R7 013 936, taxes and levies paid understated by R6 487 985 and the amount for outstanding audit fees understated by R1 214 394.
52. Section 125(2)(b) of the MFMA requires a summary of all investments of the municipality to be disclosed. The notes to the financial statements did not include such a summary for the municipality's investments of R41 028 518.

Disclaimer of opinion

53. Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

Emphasis of matters

54. I draw attention to the matters below. My opinion is not modified in respect of these matters:

Restatement of corresponding figures

55. As disclosed in notes 36 and 37 to the financial statements, the corresponding figures for 30 June 2010 have been restated as a result of errors discovered during 30 June 2011 in the financial statements of the entity at, and for the year ended, 30 June 2011.

Additional matters

56. I draw attention to the matter below. My opinion is not modified in respect of this matter:

Unaudited supplementary schedules

57. The supplementary information set out on pages 149 to 159 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.



REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

58. In accordance with the PAA and in terms of *General Notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages 162 to 220 and material non-compliance with laws and regulations applicable to the municipality.

Predetermined objectives

Reliability of information

59. The reported performance information was deficient in respect of the following criteria:

- Validity: The reported performance did not occur and does not pertain to the entity.
- Accuracy: The amounts, numbers and other data relating to reported actual performance have not been recorded and reported appropriately.
- Completeness: All actual results and events that should have been recorded have been included in the annual performance report

The following audit finding relates to the above criteria:

The content of the integrated development plan is incomplete

60. The integrated development plan did not include key performance indicators and performance targets determined in according to its performance management system, as required by sections 26(i) and 41(1) (b) of the MSA and regulation 12 of the Municipal Planning and Performance Management Regulations, 2001.

Compliance with laws and regulations

Budget

61. The municipality incurred expenditure that was not budgeted for and incurred expenditure in excess of the limits of the amounts provided for in the votes in the approved budget, contrary to section 15 of the MFMA.

Annual financial statements, performance and annual report

62. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements identified by the auditors were not adequately corrected, which resulted in the financial statements receiving a disclaimer of audit opinion. Material corrections were made on note 36 and 37 to the annual financial statements for the disclosure of errors identified in the current year that relate to the prior year.
63. The accounting officer did not submit the annual financial statements of the municipality for auditing, within two months after the end of the financial year as required by section 126(1)(a) of the MFMA.
64. The late submission of the annual financial statements to the Auditor-General for auditing was not appropriately addressed by the Mayor and municipal council as per the requirements of section 133(1) of the MFMA.
65. The municipal council did not adopt an oversight report containing the council's comments on the annual report within two months from the date on which the 2009/10 annual report was tabled in the council as required by section 129(1) of the MFMA.

Audit committees

66. The audit committee did not function as required by section 166 of the MFMA.



67. The municipality did not appoint and budget for a performance audit committee, nor was another audit committee utilised as the performance audit committee as required by the regulation 14 of the Municipal Planning and Performance Management Regulations.

Internal audit

68. The internal audit unit did not function as required by section 165(2) of the MFMA, in that:
- Internal audit did not report to the audit committee on the implementation of the internal audit plan.
 - Internal audit did not report to the audit committee on matters relating to internal audit, internal controls, accounting procedures and practices, risk and risk management and loss control.
 - Internal audit did not report to the audit committee on matters relating to compliance with the MFMA, the DoRA and other applicable legislation as required.
69. The municipality did not develop and implement mechanisms, systems and processes for auditing the results of performance measurement as part of its internal audit processes as required by section 45(1)(a) of the MSA and regulation 14 of the Municipal Planning and Performance Management Regulations.

Procurement and contract management

70. Goods and services with a transaction value of between R10 000 and R200 000 were procured without obtaining written price quotations from at least three different prospective providers as per the requirements of SCM regulation 17(a) and (c).
71. Awards were made to providers based on criteria that were not stipulated in the original bid documents as per the requirements of SCM regulation 28(1).
72. Sufficient appropriate audit evidence that invitations for competitive bidding were advertised for a required minimum period of days as per the requirements of SCM regulation 22(1) and 22(2), could not be obtained for audit.
73. The preference point system was not applied in any procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act and SCM regulation 28(1)(a).
74. Sufficient appropriate audit evidence that awards were made to suppliers based on preference points that were allocated and calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act, 2000 (Act No.5 of 2000) and its regulations, could not be obtained for audit.
75. Awards were made to suppliers that did not score the highest points in the evaluation process as required by section 2(1)(f) of the Preferential Procurement Policy Framework Act, 2000 (Act No.5 of 2000).
76. The performance of contractors or providers was not monitored on a monthly basis as required by section 116(2)(b) of the MFMA.
77. The municipality's SCM policy does not meet the requirements of the SCM Regulations.
78. Contrary to SCM regulation 44, awards were made to providers who are persons in service of the municipality or whose directors and/or principal shareholders are persons in service of the municipality. Furthermore the providers failed to declare that he/she was in the service of the municipality as required by SCM regulation 13(c).
79. Awards were made to providers who are persons in service of other state institutions or whose directors and/or principal shareholders are persons in service of other state institutions in contravention of the requirements of SCM regulations 44. Furthermore the providers failed to declare that he/she is in the service of the state as required by SCM regulation 13(c).
80. Persons in service of the municipality who had a private or business interest in contracts awarded by the municipality failed to disclose such interest, as required by SCM regulation 46(2)(e).



81. The accounting officer failed to investigate allegations against an official or role player, of fraud, corruption, favouritism, unfair or irregular practice or failure to comply with the SCM policy as required by SCM regulation 38(1)(b).
82. Sufficient appropriate audit evidence that contracts to the value of R133 476 625 was procured in accordance with legislative requirements and the SCM policy could not be obtained.

Human resource management and compensation

83. Senior managers directly accountable to the municipal manager did not sign annual performance agreements for the year under review within the required time period, as required by sections 57(1)(b) and 57(2)(a) of the MSA.

Expenditure management

84. The municipality did not recover unauthorised, irregular or fruitless and wasteful expenditure disclosed in notes 41, 43 and 42 to the financial statements respectively, as required by section 32(2) of the MFMA.
85. The accounting officer did not take reasonable steps to prevent unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.
86. The accounting officer did not take all reasonable steps to ensure that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds, as required by section 65(2)(a) of the MFMA.
87. The accounting officer did not take all reasonable steps to ensure that the municipality has and maintains a management, accounting and information system which recognises expenditure when it is incurred, accounting for creditors of the municipality, as required by section 65(2)(b) of the MFMA.
88. Money owed by the municipality was not always paid within 30 days of receiving an invoice or statement, as required by section 65(2)(e) of the MFMA.

Asset management

89. The accounting officer did not take all reasonable steps to ensure that the municipality has and maintains a management, accounting and information system which accounts for the assets of the municipality as required by section 63(2)(a) of the MFMA.

Financial misconduct

90. Investigations were not instituted into all instances of financial misconduct against officials of the municipality, as required by section 171(4)(a) of the MFMA.

INTERNAL CONTROL

91. In accordance with the PAA and in terms of *General Notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the basis for disclaimer of opinion, the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

92. The leadership's philosophy and operating style is not contributing towards a clean administration. This is evidenced by the inappropriate implementation and monitoring of action plans to address prior year audit findings, the establishment of a culture of honesty, ethical business practices and good governance. Vacancies in key positions, such as the municipal



manager and the chief financial officer were not filled and an effective organisational structure for placing appropriately skilled people is not in place.

Financial and performance management

93. The accounting officer does not exercise oversight over reporting and compliance with laws and regulations and internal control as various supporting documentation could not be submitted during the audit and management failed to respond to critical audit issues. There were insufficient implemented controls to ensure that information in the financial statements and the report on predetermined objectives were reliable. This includes key reconciliations and development of appropriate accounting policies to ensure that all disclosures required by the accounting framework are included.

Governance

94. The council failed to implement good governance principles within the municipality. These include the development and implementation of a risk management policy, fraud prevention plan and an effective internal audit function and audit committee.

Auditor-General.

Rustenburg

12 December 2011



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence



MANAGEMENT RESPONSE AND CORRECTIVE ACTIONS TAKEN OR TO BE TAKEN TO ISSUES RAISED IN THE 2010/2011 AUDIT REPORT

Management is implementing a turn-around strategy to ensure that the objective of a clean audit report is achieved before the Government's deadline of 2014. To this end a Council Resolution has been adopted to approve the Clean Audit Projects, as well as budget and resource allocations. Considerable work has been done, and progress made, but the fact that a clean audit is still to be achieved remains a serious challenge and top priority for the City of Matlosana.

The slow progress is owing to the complex nature of the causes that results in audit matters. These can be summarised as being;

- Legacy problems with the amalgamation of previous local authorities into the City of Matlosana, and lost historical data as a result thereof
- Implementation of new accounting standards such as GRAP 17, IAS 39 and other
- Critical vacancies and staff as well as skills shortages to cope with existing work loads and simultaneously correct audit matters

However efforts will be increased and more vigorous management focus directed towards corrective actions, as well as more resources employed to ensure proper implementation of clean audit strategies.

Issues raised by the Auditor General have been analysed and classified according to the nature and extent of the causes of the problem. Issues that can be resolved in the ordinary course of business are dealt with by responsible officials. Issues of a more complex nature that relate to organisational or systems deficiencies are allocated to multi functional project teams to ensure a proper holistic solution is implemented. These corrective measures will take longer to implement, but will result in sustainable improvement.

A high level overview of the issues raised by the Auditor General on the 2010 / 2011 Annual Financial Statements [AFS] and the related corrective actions is presented in the table below:

<u>Audit Issue</u>	<u>Audit Report [Paragraph]</u>	<u>Corrective Action</u>
Property, plant and equipment	4 – 12	A project team has been appointed to develop a holistic solution. Budget approval and appointment of Service Providers for implementation of the solution is required
Investment property	13 – 15	Reclassification of the property registers is included as part of the brief of the Asset Management Project Team
Borrowing costs	16	Re-configure systems for allocations of expenditure [Chart of Accounts] to be more GRAP compliant for improved classification and compliant reporting
Trade and other receivables from exchange transactions	17 – 19	Continue and expand procedures to clean general ledger and consumer accounts that

Consumer debtors	20 – 24	include amongst other; <ul style="list-style-type: none"> • Data cleaning, investigation and write off of unsubstantiated transactions • Proper record keeping of supporting documents • Alignment of procedures with relevant accounting standards such as the calculation of provisions • System configuration for enhanced classification and reporting of transactions
Trade and other payables from exchange transactions	25 – 27	
Unspent conditional grants and receipts	28 – 29	Responsible accounting staff are investigating all transactions, including prior year opening balances to make corrections
Provisions	30	Classification of current and non current portion of provisions will be corrected on financial reporting systems
Consumer deposits	31	A solution to obtain adequate supporting evidence or alternative accounting treatment is being investigated.
Revenue	32 – 37	As noted above, procedures are being implemented to investigate and correct transactions in ledger accounts, particularly prior year balances that have to be re-stated. Comparative figures will be corrected with the new classification framework that is being adopted.
Expenditure	38 – 42	
Accumulated surplus	43 – 44	
Cash flow statement	45	Audit evidence relating to non-cash items will be prepared to support disclosures in the cash flow statement
Capital commitments	46 – 47	Systems and procedures are being improved to allow for extraction of relevant date for reporting purposes.
Unauthorised expenditure & Irregular expenditure	49 – 50	A multi-disciplinary project team has prepared a solution to ensure compliant SCM procedures. Investigations of irregular expenditure are in progress.
MFMA disclosures	51 - 52	Amounts are being investigated and will be correctly disclosed
Predetermined objectives - Reliability of information	59 – 60	An action plan to correct the findings is being prepared and will be implemented
The following paragraphs relate to compliance with laws and regulations		
Budget	61	Budget over-expenditures are being investigated and will be submitted for approval by Council

Annual financial statements, performance and annual report	62 – 65	Overall governance to comply with MFMA and other requirements for preparation and submission of reports is being improved
Audit committees	66 – 67	The Audit Committee has been appointed and commenced duties
Internal Audit	68 – 69	Internal Audit deficiencies will be corrected under guidance of the Audit Committee
Procurement and contract management	70 – 82	As noted above a project team has been appointed to implement a solution for procurement and contract management
Human resource management and compensation	83	Senior managers will in future sign annual performance agreements as required.
Expenditure management	84 – 88	Investigations into irregular expenditure will be done under guidance of the Municipal Public Accounts Committee. Procedures and system requirements to improve expenditure control are being investigated.
Asset management	89	A project team has been appointed to develop a holistic asset management solution for the municipality
Financial misconduct	90	A process is being implemented to ensure all indications of financial misconduct is being investigated at the appropriate level

Management have made the following progress with implementation of corrective actions;

- Adoption of a Council Resolution to implement a Clean Audit Turn-around strategy
- Appointment of the Audit Committee and Performance Monitoring Committee
- Appointment of Project Teams to deal with complex cross functional issues and organisational deficiencies
- Scheduled meetings of the Project Steering Committee for Operation Clean Audit to obtain feedback and monitor progress.
- Engage the Auditor General on an ongoing basis to provide guidance on appropriateness of corrective actions
- Appointment of a service provider to assist with compilation and review of policies and by-laws



**City of
Matlosana**

Annual Financial Statements for the year ended 30 June 2011

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

General Information

Legal form of entity	Municipality
Mayoral committee	
Executive Mayor	O.M. Mogale (Chairperson)
Councillors	Clr G.L. Sebuasengwe Clr M.J. Mapane Clr K.G. Tladi Clr N.E. Ngalo Clr PR Moleme Clr J Douw Clr RA Marumole Clr PR Poee Clr P Seduku Clr Q Moeng Clr LM Kortjas
Accounting Officer	S.G. Mabuda (Acting)
Chief Finance Officer (CFO)	R.T. Makgale (Acting)
Registered office	Bram Fischer Street Klerksdorp 2571
Business address	Bram Fischer Street Klerksdorp 2571
Postal address	P.O. Box 99 Klerksdorp 2570
Bankers	ABSA Bank Ltd
Auditors	Auditor General

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

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The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MMC	Member of the Mayoral Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.


The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2012 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the accounting officer are primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements is still subject to audit.

The annual financial statements set out on pages 91 to 159, which have been prepared on the going concern basis, were approved by the accounting officer on 25 November 2011 and were signed on its behalf by:



SG MABUDA
Accounting Officer

25 November 2011

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Statement of Financial Position

Figures in Rand	Note(s)	2011	2010
Assets			
Current Assets			
Inventories	7	44 664 689	31 768 714
Trade and other receivables from exchange transactions	8	16 585 264	55 344 501
Consumer debtors	9	120 620 867	112 121 000
Other receivables	6	17 603	18 034
Cash and cash equivalents	10	22 540 456	75 699 053
		204 428 879	274 951 302
Non-Current Assets			
Investment property	3	67 144 400	67 144 400
Property, plant and equipment	4	2 256 367 451	2 380 492 591
Other financial assets	5	18 835 388	17 417 304
Other receivables	6	256 153	275 428
		2 342 603 392	2 465 329 723
Non-Current Assets		2 342 603 392	2 465 329 723
Current Assets		204 428 879	274 951 302
Non-current assets held for sale (and) (assets of disposal groups)		-	-
Total Assets		2 547 032 271	2 740 281 025
Liabilities			
Current Liabilities			
Other financial liabilities	12	16 370 619	11 478 432
Trade and other payables from exchange transactions	15	256 644 984	104 020 383
VAT payable	16	30 045 576	30 941 015
Unspent conditional grants and receipts	13	15 220 774	17 553 901
Provisions	14	299 544 623	253 631 570
Consumer deposits		21 506 788	20 653 394
Bank overdraft	10	-	31 376 461
		639 333 364	469 655 156
Non-Current Liabilities			
Other financial liabilities	12	147 569 522	132 964 152
Non-Current Liabilities		147 569 522	132 964 152
Current Liabilities		639 333 364	469 655 156
Liabilities of disposal groups		-	-
Total Liabilities		786 902 886	602 619 308
Assets		2 547 032 271	2 740 281 025
Liabilities		(786 902 886)	(602 619 308)
Net Assets		1 760 129 385	2 137 661 717
Net Assets			
Reserves			
Housing development fund	11	5 125 928	5 125 928
Accumulated surplus		1 755 003 457	2 132 535 789
Total Net Assets		1 760 129 385	2 137 661 717

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Statement of Financial Performance

Figures in Rand	Note(s)	2011	2010
Revenue	18	1 146 875 623	1 035 489 671
Revenue		1 146 875 623	1 035 489 671
Cost of sales		-	-
Other income		213 838 727	175 431 182
Operating expenses		(1 535 156 965)	(1 315 127 455)
		1 146 875 623	1 035 489 671
		(1 321 318 238)	(1 139 696 273)
Operating deficit		(174 442 615)	(104 206 602)
Investment revenue	26	58 725 094	58 211 165
Finance costs	28	(19 460 557)	(19 512 295)
Profit (loss) for the period from continuing operations		(135 178 078)	(65 507 732)
Profit (loss) from discontinued operations		-	-
Deficit for the year		(135 178 078)	(65 507 732)

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Statement of Changes in Net Assets

Figures in Rand	Other NDR	Accumulated surplus	Total net assets
Balance at 01 July 2009	5 125 928	2 198 043 521	2 203 169 449
Changes in net assets			
Surplus for the year	-	(65 507 732)	(65 507 732)
Total changes	-	(65 507 732)	(65 507 732)
Opening balance as previously reported	5 125 928	2 101 962 855	2 107 088 783
Adjustments			
Prior year adjustments	-	(211 781 320)	(211 781 320)
Balance at 01 July 2010 as restated	5 125 928	1 890 181 535	1 895 307 463
Changes in net assets			
Surplus for the year	-	(135 178 078)	(135 178 078)
Total changes	-	(135 178 078)	(135 178 078)
Balance at 30 June 2011	5 125 928	1 755 003 457	1 760 129 385
Note(s)			

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Cash Flow Statement

Figures in Rand	Note(s)	2011	2010
Cash flows from operating activities			
Receipts			
Sale of goods and services		991 386 292	916 524 294
Grants		347 708 049	323 045 237
Interest income		58 725 094	58 211 165
Other receipts		275 299 276	178 819 187
		1 673 118 711	1 476 599 883
Payments			
Employee costs		(368 762 243)	(316 487 416)
Suppliers		(1 109 844 785)	(996 093 902)
Finance costs		(19 460 557)	(19 512 295)
		(1 498 067 585)	(1 332 093 613)
Total receipts		1 673 118 711	1 476 599 883
Total payments		(1 498 067 585)	(1 332 093 613)
Net cash flows from operating activities	32	175 051 126	144 506 270
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(215 785 835)	(183 527 893)
Purchase of financial assets		(1 418 084)	-
Proceeds from sale of financial assets		-	3 226 769
Proceeds from sale of other receivables		19 706	-
Net cash flows from investing activities		(217 184 213)	(180 301 124)
Cash flows from financing activities			
Proceeds from other financial liabilities		19 497 557	2 951 341
Movement in consumer deposits		853 394	1 670 607
Net cash flows from financing activities		20 350 951	4 621 948
Net increase/(decrease) in cash and cash equivalents		(21 782 136)	(31 172 906)
Cash and cash equivalents at the beginning of the year		44 322 592	75 495 498
Cash and cash equivalents at the end of the year	10	22 540 456	44 322 592

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. When any significant judgements and sources of estimation uncertainty are applicable, they have been disclosed in the relevant policy.

1.2 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired at no cost or for a nominal cost, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the fair value of investment property under construction is not determinable, it is measured at cost until the earlier of the date it becomes determinable or construction is complete.

1.3 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

Accounting Policies

1.3 Property, plant and equipment (continued)

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Furniture and fixtures	7 - 10 years
Infrastructure	
• Roads and paving	10 to 30 years
• Electricity	20 to 30 years
• Wastewater network	15 to 20 years
• Water network	15 to 20 years
Other vehicles	3 to 20 years
Other equipment	5 to 10 years

Accounting Policies

1.3 Property, plant and equipment (continued)

Specialised plant and machinery	5 to 15 years
Other property, plant and equipment # 4	3 to 15 years

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. These assets are not accounted for as non-current assets held for sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

1.4 Financial instruments

Classification

The municipality classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through surplus or deficit - designated
- Held-to-maturity investment
- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis.

Initial recognition and measurement

Financial instruments are recognised initially when the municipality becomes a party to the contractual provisions of the instruments.

The municipality classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through surplus or deficit are recognised in surplus or deficit.

Subsequent measurement

Financial instruments at fair value through surplus or deficit are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in surplus or deficit for the period.

Net gains or losses on the financial instruments at fair value through surplus or deficit exclude dividends and interest.

Dividend income is recognised in surplus or deficit as part of other income when the municipality's right to receive payment is established.

Accounting Policies

1.4 Financial instruments (continued)

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Held-to-maturity investments are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the municipality establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment of financial assets

At each end of the reporting period the municipality assesses all financial assets, other than those at fair value through surplus or deficit, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the municipality, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in surplus or deficit - is removed from equity as a reclassification adjustment and recognised in surplus or deficit.

Impairment losses are recognised in surplus or deficit.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in surplus or deficit except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Accounting Policies

1.4 Financial instruments (continued)

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the municipality's accounting policy for borrowing costs.

Gains and losses

A gain or loss arising from a change in a financial asset or financial liability is recognised as follows:

- A gain or loss on a financial asset or financial liability classified as at fair value through surplus or deficit is recognised in surplus or deficit;
- A gain or loss on an available-for-sale financial asset is recognised directly in net assets, through the statement of changes in net assets, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in net assets is recognised in surplus or deficit; and
- For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, and through the amortisation process.

Derecognition

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the municipality retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the municipality has transferred its rights to receive cash flows from the asset and either
 - has transferred substantially all the risks and rewards of the asset, or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the municipality has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the municipality's continuing involvement in the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in surplus or deficit.

Accounting Policies

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability. The lease assets are depreciated at appropriate rates as per the relevant policy.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the expense to the municipality.

1.6 Inventories

Inventories are initially measured at cost except where inventories are acquired at no cost, or for nominal consideration, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality. The value of the Faan Meintjes Reserve stock is based on 100% of the current realisable value as at 30 June annually. Water inventory is valued at the lowest of cost or net realisable value. Land development for re-sale within one year is classified as an inventory item. The value of the stands are calculated at : Councils resolution Rand per square metre or Municipal valuation.

Accounting Policies

1.6 Inventories (continued)

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Other post retirement obligations

The entity provides post-retirement health care benefit to retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

1.8 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Accounting Policies

1.8 Provisions and contingencies (continued)

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Leave and bonus accruals :

- liabilities for annual leave and bonus are recognised as they accrue to employees. The liability is based on the total accrued leave days at year end for the leave accrual and the bonus accrual based on the initial inception of the service month.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 34.

1.9 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Accounting Policies

1.9 Revenue from exchange transactions (continued)

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends, or their equivalents are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.10 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Rates, including collection charges and penalties interest

Revenue from rates, including collection charges and penalty interest, is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- there has been compliance with the relevant legal requirements.

Changes to property values during a reporting period are valued by a suitably qualified valuator and adjustments are made to rates revenue, based on a time proportion basis. Adjustments to rates revenue already recognised are processed or additional rates revenue is recognised.

Fines

Revenue from the issuing of fines is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the amount of the revenue can be measured reliably.

The municipality has two types of fines: spot fines and summonses. There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. An estimate is made for the revenue amount collected from spot fines and summonses based on past experience of amounts collected. Where a reliable estimate cannot be made of revenue from summonses, the revenue from summonses is recognised when the public prosecutor pays over to the entity the cash actually collected on summonses issued.

Levies

Accounting Policies

1.10 Revenue from non-exchange transactions (continued)

Levies are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the amount of the revenue can be measured reliably.

Levies are based on declarations completed by levy payers. The estimate of levies revenue when a levy payer has not submitted a declaration are based on the following factors:

- the extent and success of procedures to investigate the non-submission of a declaration by defaulting levy payers;
- internal records maintained of historical comparisons of estimated levies with actual levies received from individual levy payers;
- historical information on declarations previously submitted by defaulting levy payers; and
- the accuracy of the database of levy payers as well as the frequency by which it is updated for changes.

Changes to estimates made when more reliable information becomes available are processed as an adjustment to levies revenue.

Government grants

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality,
- the amount of the revenue can be measured reliably, and
- to the extent that there has been compliance with any restrictions associated with the grant.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remit grants on a re-imbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

Other grants and donations

Other grants and donations are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

1.11 Turnover

Turnover comprises of sales to customers and service rendered to customers. Turnover is stated at the invoice amount and is exclusive of value added taxation.

1.12 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

Accounting Policies

1.13 Borrowing costs

It is inappropriate to capitalise borrowing costs when, and only when, there is clear evidence that it is difficult to link the borrowing requirements of an entity directly to the nature of the expenditure to be funded i.e. capital or current.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.14 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.15 Unauthorised expenditure

Unauthorised expenditure means any expenditure incurred otherwise than in accordance with section 15 or 11(3) of the MFMA and includes :

- overspending of the total amount appropriated in the approved budget;
- overspending of the total amount appropriated for a vote in the approved budget;
- expenditure from a vote unrelated to the department or functional area covered by the vote;
- expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- a grant by the municipality otherwise than in accordance with the act.

1.16 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.17 Irregular expenditure

Irregular expenditure as defined in section 1 of the MFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

Irregular expenditure as defined in the MFMA means :

- (a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170;
- (b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
- (c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act no. 20 of 1998); or
- (d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure".

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Accounting Policies

1.17 Irregular expenditure (continued)

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.18 Use of estimates

The preparation of annual financial statements in conformity with Standards of GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the municipality's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed in the relevant sections of the annual financial statements. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results ultimately may differ from those estimates.

1.19 Presentation of currency

These annual financial statements are presented in South African Rand.

1.20 Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP

1.21 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.22 Gratuities

The municipality provides gratuities for qualifying staff members in terms of the relevant conditions of employment. The expenditure is recognised in the statement of financial performance when the gratuity is paid.

1.23 Investments

Where the carrying amount of an investment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the statement of financial performance.

Investments in derivative financial instruments

Derivative financial instruments are initially recorded at cost and are remeasured to fair value at subsequent reporting dates.

Changes in the fair value of derivative financial instruments that are designated and effective as cash flow hedges are recognised directly in accumulated surpluses/(deficits). Amounts deferred in net assets are recognised in the statement of financial performance in the same period in which the hedged firm commitment or forecasted transaction affects net surplus/(deficit).

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the statement of financial performance as they arise.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Accounting Policies

1.24 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

1.25 Segmental information

Segmental information on property, plant and equipment, as well as income and expenditure, is set out in Appendices C and D, based on the International Government Financial Statistics classifications and the budget formats prescribed by National Treasury. The municipality operates solely in its area of jurisdiction as determined by the Demarcation Board.

Segment information is prepared in conformity with the accounting policies applied for preparing and presenting the financial statements.

1.26 Retirement benefits

Councillors and employees as well as Council contribute to the following pension and provident funds, which provide retirement benefits to such Councillors and employees :

- Municipal Employees Gratuity Fund
- Pension Fund for Municipal Councillors
- National Fund for Municipal Workers
- SALA Pension Fund
- SAMWU Provident Fund
- Municipal Employees Pension Fund

Council does not operate or are not involved in a guaranteed benefit pension scheme. The above schemes are only based on guaranteed contributions from the side of the employer.

1.27 Going concern

These annual financial statements have been prepared on a going concern basis.

Notes to the Annual Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

GRAP 23: Revenue from Non-exchange Transactions

Revenue from non-exchange transactions arises when an entity receives value from another entity without directly giving approximately equal value in exchange. An asset acquired through a non-exchange transaction shall initially be measured at its fair value as at the date of acquisition.

This revenue will be measured at the amount of increase in net assets recognised by the municipality.

An inflow of resources from a non-exchange transaction recognised as an asset shall be recognised as revenue, except to the extent that a liability is recognised for the same inflow. As an entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it will reduce the carrying amount of the liability recognised as recognise an amount equal to that reduction.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2012.

The municipality expects to adopt the standard for the first time in the 2013 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 24: Presentation of Budget Information in the Financial Statements

Subject to the requirements of paragraph .19, an entity shall present a comparison of the budget amounts for which it is held publicly accountable and actual amounts either as a separate additional financial statement or as additional budget columns in the financial statements currently presented in accordance with Standards of GRAP. The comparison of budget and actual amounts shall present separately for each level of legislative oversight:

- the approved and final budget amounts;
- the actual amounts on a comparable basis; and
- by way of note disclosure, an explanation of material differences between the budget for which the municipality is held publicly accountable and actual amounts, unless such explanation is included in other public documents issued in conjunction with the financial statements, and a cross reference to those documents is made in the notes.

Where an entity prepares its budget and annual financial statements on a comparable basis, it includes the comparison as an additional column in the primary annual financial statements. Where the budget and annual financial statements are not prepared on a comparable basis, a separate statement is prepared called the 'Statement of Comparison of Budget and Actual Amounts'. This statement compares the budget amounts with the amounts in the annual financial statements adjusted to be comparable to the budget.

A comparable basis means that the budget and annual financial statements:

- are prepared using the same basis of accounting i.e. either cash or accrual;
- include the same activities and entities;
- use the same classification system; and
- are prepared for the same period.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2012.

The municipality expects to adopt the standard for the first time in the 2013 annual financial statements.

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 103: Heritage Assets

Grp 103 defines heritage assets as assets which have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Certain heritage assets are described as inalienable items thus assets which are retained indefinitely and cannot be disposed of without consent as required by law or otherwise.

A heritage asset should be recognised as an asset only if:

- it is probable that future economic benefits or service potential associated with the asset will to the municipality; and
- the cost of fair value of the asset can be measured reliably.

The standard required judgment in applying the initial recognition criteria to the specific circumstances surrounding the entity and the assets.

Grp 103 states that a heritage asset should be measured at its cost unless it is acquired through a non-exchange transaction which should then be measured at its fair value as at the date of acquisition.

In terms of the standard, an entity has a choice between the cost and revaluation model as accounting policy for subsequent recognition and should apply the chosen policy to an entire class of heritage assets.

The cost model requires a class of heritage assets to be carried at its cost less any accumulated impairment losses.

The revaluation model required a class of heritage assets to be carried at its fair value at the date of the revaluation less any subsequent impairment losses. The standard also states that a restriction on the disposal of a heritage asset does not preclude the entity from determining the fair value.

Grp 103 prescribes that when determining the fair value of a heritage asset that has more than one purpose, the fair value should reflect both the asset's heritage value and the value obtained from its use in the production or supply of goods or services or for administrative purposes.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase should be credited directly to a revaluation surplus. However, the increase should be recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit. If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease should be recognised in surplus or deficit. However, the decrease should be debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

Grp 103 states that a heritage asset should not be depreciated but an entity should assess at each reporting date whether there is an indication that it may be impaired.

In terms of the standard, compensation from third parties for heritage assets that have been impaired, lost or given up, should be included in surplus or deficit when the compensation becomes receivable.

For a transfer from heritage assets carried at a revalued amount to property, plant and equipment, investment property, inventories or intangible assets, the asset's deemed cost for subsequent accounting should be its revalued amount at the date of transfer. The entity should treat any difference at that date between the carrying amount of the heritage asset and its fair value in the same way as a revaluation in accordance with this Standard. If an item of property, plant and equipment or an intangible asset carried at a revalued amount, or investment property carried at fair value is reclassified as a heritage asset carried at a revalued amount, the entity applies the applicable Standard of GRAP to that asset up to the date of change. The entity treats any difference at that date between the carrying amount of the asset and its fair value in accordance with the applicable Standard of GRAP relating to that asset. For a transfer from investment property carried at fair value, or inventories to heritage assets at a revalued amount, any difference between the fair value of the asset at that date and its previous carrying amount should be recognised in surplus or deficit.

The carrying amount of a heritage asset should be derecognised:

- on disposal, or

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset should be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

The effective date of the standard is for years beginning on or after 01 April 2012.

The municipality expects to adopt the standard for the first time in the 2013 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 21: Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

An municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, an entity estimates the recoverable service amount of the asset.

The present value of the remaining service potential of a non-cash-generating asset is determined using one of the following approaches:

- Depreciated replacement cost approach
- Restoration cost approach
- Service units approach

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

An municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, an entity estimates the recoverable service amount of that asset.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2012.

The municipality expects to adopt the standard for the first time in the 2013 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 26: Impairment of cash-generating assets

Cash-generating assets are those assets held by an municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

An entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, an municipality estimates the recoverable amount of the asset. When estimating the value in use of an asset, an municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and an municipality applies the appropriate discount rate to those future cash flows.

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, an municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, an entity use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

An municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, an municipality estimates the recoverable amount of that asset.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2012.

The municipality expects to adopt the standard for the first time in the 2013 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 104: Financial Instruments

The standard prescribes recognition, measurement, presentation and disclosure requirements for financial instruments. Financial instruments are defined as those contracts that results in a financial asset in one municipality and a financial liability or residual interest in another municipality. A key distinguishing factor between financial assets and financial liabilities and other assets and liabilities, is that they are settled in cash or by exchanging financial instruments rather than through the provision of goods or services.

One of the key considerations in initially recognising financial instruments is the distinction, by the issuers of those instruments, between financial assets, financial liabilities and residual interests. Financial assets and financial liabilities are distinguished from residual interests because they involve a contractual right or obligation to receive or pay cash or another financial instrument. Residual interests entitle an municipality to a portion of another municipality's net assets in the event of liquidation and, to dividends or similar distributions paid at management's discretion.

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

In determining whether a financial instrument is a financial asset, financial liability or a residual interest, an municipality considers the substance of the contract and not just the legal form.

Where a single instrument contains both a liability and a residual interest component, the issuer allocates the instrument into its component parts. The issuer recognises the liability component at its fair value and recognises the residual interest as the difference between the carrying amount of the instrument and the fair value of the liability component. No gain or loss is recognised by separating the instrument into its component parts.

Financial assets and financial liabilities are initially recognised at fair value. Where an municipality subsequently measures financial assets and financial liabilities at amortised cost or cost, transactions costs are included in the cost of the asset or liability.

The transaction price usually equals the fair value at initial recognition, except in certain circumstances, for example, where interest free credit is granted or where credit is granted at a below market rate of interest.

Concessionary loans are loans either received by or granted to another municipality on concessionary terms, e.g. at low interest rates and flexible repayment terms. On initial recognition, the fair value of a concessionary loan is the present value of the agreed contractual cash flows, discounted using a market related rate of interest for a similar transaction. The difference between the proceeds either received or paid and the present value of the contractual cash flows is accounted for as non-exchange revenue by the recipient of a concessionary loan in accordance with Standard of GRAP on Revenue from Non-exchange Revenue Transactions (Taxes and Transfers), and using the Framework for the Preparation and Presentation of Financial Statements (usually as an expense) by the grantor of the loan.

Financial assets and financial liabilities are subsequently measured either at fair value or, amortised cost or cost. An municipality measures a financial instrument at fair value if it is:

- a derivative;
- a combined instrument designated at fair value, i.e. an instrument that includes a derivative and a non-derivative host contract;
- held-for-trading;
- a non-derivative instrument with fixed or determinable payments that is designated at initial recognition to be measured at fair value;
- an investment in a residual interest for which fair value can be measured reliably; and
- other instruments that do not meet the definition of financial instruments at amortised cost or cost.

Derivatives are measured at fair value. Combined instruments that include a derivative and non-derivative host contract are accounted for as follows:

- Where an embedded derivative is included in a host contract which is a financial instrument within the scope of this Standard, an entity can designate the entire contract to be measured at fair value or, it can account for the host contract and embedded derivative separately using GRAP 104. An municipality is however required to measure the entire instrument at fair value if the fair value of the derivative cannot be measured reliably.
- Where the host contract is not a financial instrument within the scope of this Standard, the host contract and embedded derivative are accounted for separately using GRAP 104 and the relevant Standard of GRAP.

Financial assets and financial liabilities that are non-derivative instruments with fixed or determinable payments, for example deposits with banks, receivables and payables, are measured at amortised cost. At initial recognition, an municipality can however designate such an instrument to be measured at fair value.

An municipality can only measure investments in residual interests at cost where the fair value of the interest cannot be determined reliably.

Once an municipality has classified a financial asset or a financial liability either at fair value or amortised cost or cost, it is only allowed to reclassify such instruments in limited instances.

An entity derecognises a financial asset, or the specifically identified cash flows of an asset, when:

- the cash flows from the asset expire, are settled or waived;
- significant risks and rewards are transferred to another party; or
- despite having retained significant risks and rewards, an municipality has transferred control of the asset to another municipality.

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

An municipality derecognises a financial liability when the obligation is extinguished. Exchanges of debt instruments between a borrower and a lender are treated as the extinguishment of an existing liability and the recognition of a new financial liability. Where an municipality modifies the term of an existing financial liability, it is also treated as the extinguishment of an existing liability and the recognition of a new liability.

An municipality cannot offset financial assets and financial liabilities in the statement of financial position unless a legal right of set-off exists, and the parties intend to settle on a net basis.

GRAP 104 requires extensive disclosures on the significance of financial instruments for an municipality's statement of financial position and statement of financial performance, as well as the nature and extent of the risks that an municipality is exposed to as a result of its annual financial statements. Some disclosures, for example the disclosure of fair values for instruments measured at amortised cost or cost and the preparation of a sensitivity analysis, are encouraged rather than required.

GRAP 104 does not prescribe principles for hedge accounting. An municipality is permitted to apply hedge accounting, as long as the principles in IAS 39 are applied.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2012.

The municipality expects to adopt the standard for the first time in the 2013 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

The aggregate impact of the initial application of the statements and interpretations on the municipality's annual financial statements is expected to be as follows:

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

3. Investment property

	2011			2010		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	67 144 400	-	67 144 400	67 144 400	-	67 144 400

Reconciliation of investment property - 2011

	Opening balance	Total
Investment property	67 144 400	67 144 400

Reconciliation of investment property - 2010

	Opening balance	Total
Investment property	67 144 400	67 144 400

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

4. Property, plant and equipment

	2011			2010		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Buildings	290 692 881	(38 394 255)	252 298 626	185 707 150	(36 026 433)	149 680 717
Infrastructure	2 413 179 784	(579 615 591)	1 833 564 193	2 768 523 375	(689 514 174)	2 079 009 201
Community	99 655 224	(31 492 475)	68 162 749	84 691 240	(28 804 295)	55 886 945
Heritage	1 691 809	(84 725)	1 607 084	1 570 537	(84 726)	1 485 811
Other property, plant and equipment # 4	303 298 343	(202 563 544)	100 734 799	277 533 828	(183 103 911)	94 429 917
Total	3 108 518 041	(852 150 590)	2 256 367 451	3 318 026 130	(937 533 539)	2 380 492 591

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2011

	Opening balance	Additions	Work in progress	Transfers	Revaluations	Other changes, movements	Depreciation	Total
Buildings	149 680 717	10 857 428	751 344	(5 021 636)	143 084 122	(42 677 670)	(4 375 679)	252 298 626
Infrastructure	2 079 009 201	94 435 344	64 223 972	(55 900 053)	-	(199 603 725)	(148 600 546)	1 833 564 193
Community	55 886 945	10 921 483	7 619 079	(3 576 576)	-	-	(2 688 182)	68 162 749
Heritage	1 485 811	121 273	-	-	-	-	-	1 607 084
Other property, plant and equipment	94 429 917	26 700 540	155 372	(917 660)	-	-	(19 633 370)	100 734 799
	2 380 492 591	143 036 068	72 749 767	(65 415 925)	143 084 122	(242 281 395)	(175 297 777)	2 256 367 451

Reconciliation of property, plant and equipment - 2010

	Opening balance	Additions	Work in progress	Transfers	Revaluations	Other changes, movements	Depreciation	Total
Buildings	135 161 240	13 487 978	5 021 636	-	-	-	(3 990 137)	149 680 717
Infrastructure	2 105 276 872	65 510 368	55 900 055	-	-	-	(147 678 094)	2 079 009 201
Community	52 899 158	2 033 477	3 576 576	-	-	-	(2 622 266)	55 886 945
Heritage	1 485 811	-	-	-	-	-	-	1 485 811
Other property, plant and equipment	72 890 494	37 080 143	917 660	-	-	-	(16 458 380)	94 429 917
	2 367 713 575	118 111 966	65 415 927	-	-	-	(170 748 877)	2 380 492 591

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand

5. Other financial assets

Held to maturity

Other financial assets	18 835 388	17 417 304
	-	-
	-	-
	-	-
	18 835 388	17 417 304
	-	-

Non-current assets

Held to maturity	18 835 388	17 417 304
Non-current assets	18 835 388	17 417 304
Current assets	-	-

The municipality has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior year.

There were no gains or losses realised on the disposal of held to maturity financial assets in 2011 and 2010, as all the financial assets were disposed of at their redemption date.

List of investments held

Sanlam : Capital guaranteed fund - 040644725X0	5 458 953	5 145 308
Sanlam : Capital guaranteed fund - 040710409X0	365 721	345 076
Nedcor : FK183349	13 010 715	11 926 920
	18 835 389	17 417 304

The Nedcor investment is encumbered by a pledge of R 3 700 000 as disclosed in note 12.

6. Other receivables

An existing loan to the Klerksdorp Rolbalkklub is being repaid with an interest rate of 5% applicable. The MFMA stopped the practice of giving loans to sport bodies.

Loan to Klerksdorp Rolbalkklub

Short term portion of loan	17 603	18 034
Long term portion of loan	256 153	275 428
	273 756	293 462

7. Inventories

Consumable stores	38 927 163	25 135 024
Water	1 747 366	2 554 669
Nature reserve - wildlife stock	3 186 803	3 329 214
Museum stores - at authorised value	155 586	102 036
Unsold properties held for resale at council resolution or municipal valuation	647 771	647 771
	44 664 689	31 768 714

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
8. Trade and other receivables from exchange transactions		
Deposits	729 403	320 453
Receivables	4 051 810	3 234 672
Market	927 925	2 776 041
Housing (Internal loan)	11 000 000	11 000 000
Housing and housing rentals	1 410 048	21 017 295
Sundry debtors	45 570 073	102 878 854
Suspense accounts	(281 415)	3 699 367
Less : Provision for bad debts	(46 822 580)	(89 582 181)
	16 585 264	55 344 501
9. Consumer debtors		
Gross balances		
Rates	86 127 829	175 375 500
Electricity	91 384 677	73 687 525
Water	162 735 359	157 030 835
Sewerage	50 106 732	67 207 029
Refuse	48 320 451	66 531 306
Other	212 166 881	262 246 547
	650 841 929	802 078 742
Less: Provision for debt impairment		
Rates	(68 220 426)	(150 860 106)
Electricity	(70 807 852)	(63 386 891)
Water	(128 899 981)	(135 079 805)
Sewerage	(39 680 989)	(57 812 291)
Refuse	(38 273 828)	(57 231 026)
Other	(184 337 986)	(225 587 623)
	(530 221 062)	(689 957 742)
Net balance		
Rates	17 907 403	24 515 394
Electricity	20 576 825	10 300 634
Water	33 835 378	21 951 030
Sewerage	10 425 743	9 394 738
Refuse	10 046 623	9 300 280
Other	27 828 895	36 658 924
	120 620 867	112 121 000
Rates		
Current (0 -30 days)	13 561 089	15 100 503
31 - 60 days	3 924 034	7 542 659
61 - 90 days	3 695 409	5 985 018
91 - 120 days	64 947 295	146 747 318
Provision for bad debts	(68 220 424)	(150 860 104)
	17 907 403	24 515 394
Electricity		
Current (0 -30 days)	24 989 420	19 692 256
31 - 60 days	3 872 539	4 405 926
61 - 90 days	5 006 186	3 204 176
91 - 120 days	55 526 290	46 385 165
Provision for bad debts	(68 817 610)	(63 386 889)
	20 576 825	10 300 634

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
9. Consumer debtors (continued)		
Water		
Current (0 -30 days)	20 514 230	9 161 698
31 - 60 days	5 910 722	5 314 452
61 - 90 days	6 559 816	4 040 641
91 - 120 days	129 750 589	138 514 042
Provision for bad debts	(128 899 979)	(135 079 803)
	33 835 378	21 951 030
Sewerage		
Current (0 -30 days)	4 289 410	3 942 531
31 - 60 days	1 870 732	1 729 094
61 - 90 days	1 581 283	1 330 969
91 - 120 days	42 365 305	60 204 434
Provision for bad debts	(39 680 987)	(57 812 290)
	10 425 743	9 394 738
Refuse		
Current (0 -30 days)	3 277 994	2 961 668
31 - 60 days	1 650 126	1 457 996
61 - 90 days	1 365 006	1 086 322
91 - 120 days	42 027 324	61 025 319
Provision for bad debts	(38 273 827)	(57 231 025)
	10 046 623	9 300 280
Other		
Current (0 -30 days)	12 014 134	9 255 818
31 - 60 days	5 939 321	6 057 582
61 - 90 days	7 879 378	5 150 613
91 - 120 days	171 533 126	256 583 452
Provision for bad debts	(169 537 064)	(240 388 541)
	27 828 895	36 658 924
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	55 818 086	50 908 487
31 - 60 days	20 130 453	23 348 802
61 - 90 days	22 303 667	18 465 527
91 - 120 days	469 088 101	637 205 687
	567 340 307	729 928 503
Industrial/ commercial		
Current (0 -30 days)	10 792 642	7 334 075
31 - 60 days	2 425 082	2 545 217
61 - 90 days	2 482 603	1 891 221
91 - 120 days	41 541 151	52 919 339
	57 241 478	64 689 852

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
9. Consumer debtors (continued)		
National and provincial government		
Current (0 -30 days)	12 035 551	1 871 912
31 - 60 days	611 940	613 690
61 - 90 days	1 300 810	440 991
91 - 120 days	10 327 599	4 533 784
	24 275 900	7 460 377
Total		
Current (0 -30 days)	78 646 280	60 114 484
31 - 60 days	23 167 476	26 507 709
61 - 90 days	26 087 082	20 797 739
91 - 120 days	520 950 853	694 658 810
	648 851 691	802 078 742
Less: Provision for debt impairment	(528 230 824)	(689 957 742)
	120 620 867	112 121 000
Less: Provision for debt impairment		
Balance at the beginning of the year	(689 957 742)	(500 348 380)
Contribution to provision	(280 752 849)	(191 565 051)
Debt impairment written off against provision	440 489 529	1 955 689
	(530 221 062)	(689 957 742)

10. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	63 500	60 500
Bank balances	162 954	2 333 787
Short-term deposits	22 193 130	73 181 026
Other cash and cash equivalents	120 872	123 740
Bank overdraft	-	(31 376 461)
	22 540 456	44 322 592
Current assets	22 540 456	75 699 053
Current liabilities	-	(31 376 461)
	22 540 456	44 322 592

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2011	30 June 2010	30 June 2009	30 June 2011	30 June 2010	30 June 2009
ABSA Bank - cheque account - 4060008684	-	1 273 492	717 576	-	391 292	488 509
ABSA Bank - cheque account - 01000100176	2 863 230	(4 673 377)	26 787 113	739 249	(29 922 418)	(7 568 490)
ABSA Bank - cheque account - 950164379 (Council water)	326 744	2 011 587	1 962 116	109 901	1 942 496	1 888 824
ABSA Bank - cheque account - 950000090 (Market)	1 663 573	847 156	1 777 236	(686 197)	(1 454 043)	(1 750 836)
ABSA Bank - cheque account - 4059133084 (Mayor's golf day)	-	-	174	-	-	(2 413)
ABSA Bank - call account - 4071085841 (Housing)	120 871	123 740	10 068 070	120 871	123 740	10 068 070
Total	4 974 418	(417 402)	41 312 285	283 824	(28 918 933)	3 123 664

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
11. Housing development fund		
Unappropriate surplus	5 125 928	5 125 928
The housing development fund is represented by the following assets and liabilities :		
Bank and cash	5 125 928	5 125 928
12. Other financial liabilities		
Held at amortised cost		
Annuity loans	163 940 141	144 442 584
	-	-
	163 940 141	144 442 584
Refer to appendix A for more detail on long-term liabilities.		
Non-current liabilities		
At amortised cost	147 569 522	132 964 152
Current liabilities		
At amortised cost	16 370 619	11 478 432
	147 569 522	132 964 152
	16 370 619	11 478 432
	163 940 141	144 442 584

An amount of R 3 700 000, covered by the Nedcor Investment FK183349, was pledged as security for loan NW1374/2 at DBSA.

13. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
MIG	10 710 431	8 106 413
National Electricity Regulator	345 490	3 839 051
FMG	974 052	827 673
DWAF	276 464	276 464
MSIG	262 344	545 480
EPWP	1 955 700	250 700
Fire Grant	105 688	2 686 000
Library grant	590 605	1 022 120
	15 220 774	17 553 901

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 21 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand 2011 2010

14. Provisions

Reconciliation of provisions - 2011

	Opening Balance	Additions	Total
Environmental rehabilitation	27 401 597	2 724 927	30 126 524
Continuous medical aid contribution	96 430 272	28 839 177	125 269 449
Section 57 managers bonuses	791 326	29 279	820 605
Long service awards	129 008 375	14 319 670	143 328 045
	253 631 570	45 913 053	299 544 623

Reconciliation of provisions - 2010

	Opening Balance	Additions	Total
Environmental rehabilitation	24 839 765	2 561 832	27 401 597
Continuous medical aid contribution	74 230 369	22 199 903	96 430 272
Section 57 managers bonuses	712 193	79 133	791 326
Long service awards	116 119 359	12 889 016	129 008 375
	215 901 686	37 729 884	253 631 570

15. Trade and other payables from exchange transactions

Trade payables	59 440 984	1 213 905
Payments received in advanced - contract in process	66 699 469	38 424 351
Accrued leave pay	38 407 086	32 442 983
Other creditors	91 976 573	31 815 404
Housing : Absa bank account	120 872	123 740
	256 644 984	104 020 383

16. VAT payable

Tax refunds payables	30 045 576	30 941 015
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17. Consumer deposits

Electricity and water	21 506 788	20 653 394
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Gaurentees held :

In lieu of debtors for the Fresh Produce Market	400 000	400 000
In lieu of electricity and water deposits	1 926 198	1 926 198
	2 326 198	2 326 198

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
18. Revenue		
Rendering of services	48 351	(260 406)
Property rates	181 286 149	191 285 747
Service charges	582 695 319	513 206 881
Levies	2 269 838	2 188 442
Rental of facilities & equipment	5 647 402	7 025 755
Fines	8 387 312	6 220 373
Licences and permits	3 823 203	2 542 563
Government grants & subsidies	350 041 177	302 277 524
Market dues	12 276 215	10 890 251
Miscellaneous other revenue	400 657	112 541
	1 146 875 623	1 035 489 671

The amount included in revenue arising from exchanges of goods or services are as follows:

Rendering of services	48 351	(260 406)
Service charges	582 695 319	513 206 881
Rental of facilities & equipment	5 647 402	7 025 755
Licences and permits	3 823 203	2 542 563
Miscellaneous other revenue	400 657	112 541
	592 614 932	522 627 334

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue		
Property rates	181 286 149	191 285 747
Fines	8 387 312	6 220 373
Transfer revenue		
Government grants & subsidies	350 041 177	302 277 524
Levies	2 269 838	2 188 442
Market dues	12 276 215	10 890 251
	554 260 691	512 862 337

19. Property rates

Rates received

Residential	157 865 220	157 236 317
State	11 331 246	14 860 867
Indigent	12 051 628	19 150 462
Sundry debtors	38 055	38 101
	181 286 149	191 285 747

Valuations

Residential	29 399 639	29 399 639
State	481 872	481 872
Municipal and farms	1 262 138	1 262 138
Agricultural	182 908	182 908
	31 326 557	31 326 557

Valuations on land and buildings are performed every 4 years. The last general valuation came into effect on 1 July 2009. The valuations were done by DDP Valuers on behalf of the Municipality.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
20. Service charges		
Sale of electricity	390 520 615	358 298 674
Sale of water	150 065 275	113 578 053
Sewerage and sanitation charges	2 206 509	3 940 213
Refuse removal	39 902 920	37 389 941
	582 695 319	513 206 881

21. Government grants and subsidies

Equitable share	283 801 049	226 271 000
MIG	57 847 983	69 913 349
NERSA	3 493 561	3 306 440
FMG	853 621	388 772
DWAF	-	1 223 536
MSIG	1 033 136	51 304
Fire grant	2 580 312	814 000
Library grant	431 515	309 123
	350 041 177	302 277 524

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

All registered indigents receive a monthly subsidy of R 179 (2010: R 163), which is funded from the grant.

MIG

Balance unspent at beginning of year	8 106 413	3 651 077
Current-year receipts	60 452 000	84 623 537
Conditions met - transferred to revenue	(57 847 982)	(80 168 201)
	10 710 431	8 106 413

Conditions still to be met - remain liabilities (see note 13)

NERSA

Balance unspent at beginning of year	3 839 051	345 490
Current-year receipts	-	6 800 000
Conditions met - transferred to revenue	(3 493 561)	(3 306 439)
	345 490	3 839 051

Conditions still to be met - remain liabilities (see note 13)

FMG

Balance unspent at beginning of year	827 673	466 445
Current-year receipts	1 000 000	750 000
Conditions met - transferred to revenue	(853 621)	(388 772)
	974 052	827 673

Conditions still to be met - remain liabilities (see note 13)

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
21. Government grants and subsidies (continued)		
DWAF		
Balance unspent at beginning of year	276 464	1 500 000
Conditions met - transferred to revenue	-	(1 223 536)
	276 464	276 464
Conditions still to be met - remain liabilities (see note 13)		
MSIG		
Balance unspent at beginning of year	545 480	196 784
Current-year receipts	750 000	400 000
Conditions met - transferred to revenue	(1 033 136)	(51 304)
	262 344	545 480
Conditions still to be met - remain liabilities (see note 13)		
EPWP		
Balance unspent at beginning of year	250 700	-
Current-year receipts	1 705 000	250 700
	1 955 700	250 700
Conditions still to be met - remain liabilities (see note 13)		
Provide explanations of conditions still to be met and other relevant information		
Fire		
Balance unspent at beginning of year	2 686 000	-
Current-year receipts	-	3 500 000
Conditions met - transferred to revenue	(2 580 312)	(814 000)
	105 688	2 686 000
Conditions still to be met - remain liabilities (see note 13).		
Library		
Balance unspent at beginning of year	1 022 120	881 243
Current-year receipts	-	450 000
Conditions met - transferred to revenue	(431 515)	(309 123)
	590 605	1 022 120
Conditions still to be met - remain liabilities (see note 13).		

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
22. General expenses		
Advertising	4 377 998	1 501 180
Assessment rates & municipal charges	2 534 327	2 397 660
Auditors remuneration	5 848 128	1 769 045
Bank charges	5 091 836	4 627 540
Cleaning	-	2 116
Commission paid	3 749 516	2 534 877
Consulting and professional fees	17 495 636	9 922 828
Consumables	2 335 984	2 434 205
Discount allowed	5 272 001	446 421
Entertainment	1 106 589	852 803
Fines and penalties	346 250	375 850
Animal Costs	5 481	4 879
Gifts	32 733	47 576
Hire	2 247 466	1 757 507
Insurance	5 523 385	2 334 542
Community development and training	4 921 135	274 323
Conferences and seminars	1 145 852	664 065
Lease rentals on operating lease	4 394 758	3 148 500
Marketing	5 354 294	7 252 269
Promotions and sponsorships	234 020	-
Magazines, books and periodicals	293 308	224 841
Medical expenses	131 244	-
Motor vehicle expenses	33 441 230	30 551 132
Pest control	142 032	165 415
Postage and courier	2 908 136	2 549 716
Printing and stationery	3 794 741	3 411 499
Promotions	998 814	-
Research and development costs	153 660	136 550
Royalties and license fees	30 621	-
Security (Guarding of municipal property)	6 562 675	4 247 052
Staff welfare	5 856	49 497
Subscriptions and membership fees	4 492	-
Telephone and fax	5 819 415	5 380 675
Transport and freight	82 258	51 409
Training	2 711 262	1 754 730
Travel - local	115 271	-
Refuse	3 084 810	1 649 198
Title deed search fees	248 825	180 041
Electricity	981 287	934 301
Other miscellaneous	84 741 114	91 170 646
Billing charges	931 459	418 269
Chemicals	1 098 659	1 076 177
	220 298 558	186 299 334

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
23. Employee related costs		
Basic	222 937 651	186 403 321
Medical aid - company contributions	54 191 040	41 032 907
UIF	2 177 392	1 818 486
WCA	-	5 644 248
Other payroll levies	2 592 777	2 139 972
Leave pay provision charge	5 964 103	8 225 298
Travel, motor car, accommodation, subsistence and other allowances	4 568 520	5 127 263
Overtime payments	19 426 016	16 248 904
Long-service awards	14 348 950	12 968 149
13th Cheques	17 488 480	14 090 300
Housing benefits and allowances	1 485 245	1 663 111
Group insurance	716 142	627 467
Pension fund	46 479 816	38 157 852
Redemption of leave	2 056 470	5 457 541
Other payments	3 394 094	2 625 896
	397 826 696	342 230 715
Remuneration of municipal manager		
Annual remuneration	1 067 423	1 029 338
Remuneration of chief finance officer		
Annual remuneration	855 610	825 081
Director municipal & social services : Section 57 appointment		
Annual remuneration	855 610	825 081
Director corporate services & governance : Section 57 appointment		
Annual remuneration	845 079	814 926
Director economic development & procurement: Section 57 appointment		
Annual remuneration	789 793	761 613
Manager : Support services		
Annual remuneration	592 345	571 210
Director infrastructure & utilities: Section 57 appointment		
Annual remuneration	855 610	825 081
24. Remuneration of councillors		
Executive Mayor	661 076	610 535
Mayoral Committee Members	5 228 909	4 313 164
Speaker	515 270	478 140
Councillors	10 342 560	9 060 872
	16 747 815	14 462 711

In-kind benefits

The Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Mayor has the use of a Council owned vehicle for official duties.

The Executive Mayor has one full-time bodyguard/driver.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
25. Debt impairment		
Contributions to debt impairment provision	(218 763 962)	208 466 144
Debts impaired	440 489 529	-
	221 725 567	208 466 144
26. Investment revenue		
Interest revenue		
Bank	2 192 524	3 136 054
Interest charged on trade and other receivables	51 134 307	44 396 098
Interest on investments	5 398 263	10 679 013
	58 725 094	58 211 165
27. Depreciation and amortisation		
Property, plant and equipment	175 297 775	170 748 877
28. Finance costs		
Non-current borrowings	19 460 557	19 512 295
Electricity and water are supplied by Eskom and Midvaal Water Company. Residence of Hartbeesfontein are supplied with water purchased from a private individual.		
29. Auditors' remuneration		
Fees	5 848 128	1 769 045
30. Contracted services		
Other Contractors	36 892 302	21 380 156
31. Bulk purchases		
Electricity	275 834 974	214 931 280
Water	130 009 916	112 492 492
	405 844 890	327 423 772

Electricity and water are supplied by Eskom and Midvaal Water Company. Residence of Hartbeesfontein are supplied with water purchased from a private individual.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
32. Cash generated from operations		
Deficit	(135 178 078)	(65 507 732)
Adjustments for:		
Depreciation and amortisation	175 297 775	170 748 877
Impairment reversals	(13 326 640)	-
Debt impairment	221 725 567	208 466 144
Movements in provisions	45 913 053	241 245 403
Other non-cash items and prior year adjustments	(269 865 220)	(541 648 122)
Changes in working capital:		
Inventories	(12 895 975)	5 351 010
Trade and other receivables from exchange transactions	52 085 877	9 698 038
Consumer debtors	(38 101 276)	13 075 672
Trade and other payables from exchange transactions	152 624 609	56 928 908
VAT	(895 439)	14 497 504
Unspent conditional grants and receipts	(2 333 127)	31 650 568
	175 051 126	144 506 270
33. Commitments		
Authorised capital expenditure		
Approved and contracted for		
• Infrastructure	108 551 822	109 866 590
• Community	8 037 433	6 224 650
• Other	5 593 059	10 589 380
Approved but not yet contracted for		
• Infrastructure	-	76 047
• Community	-	46 968
• Heritage	-	121 273
• Other	-	16 104 161
	122 182 314	143 029 069
This expenditure will be financed from :		
• External loans	84 312 436	17 083 070
• Government grants	4 000 000	66 461 490
• Own resources	33 869 878	43 143 060
	122 182 314	126 687 620
The approved capital expenditure is not shown as committed in 2011 due to the turn-around strategy to improve the liquidity of the municipality.		
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	5 036 321	3 474 932
- in second to fifth year inclusive	3 236 712	3 662 788
	8 273 033	7 137 720

Operating lease payments represent rentals payable by the municipality for certain of its office properties, vehicles and office equipment. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
34. Contingencies		
Contingent assets		
Subsequent to the disciplinary hearing in respect of the fruitless and wasteful expenditure referred to in Note 42, civil proceedings have commenced against the employees concerned to recover an amount of R -. According to Council's legal advisors, it is probable that the proceedings will result in the recovery of the full amount but this recovery is virtually certain.		
City of Matlosana / Toro ya Africa Consultants (Pty) Ltd		
Council instituted claims against the defendant for non performance on housing projects in Jouberton and Alabama.	223 000 000	223 000 000
City of Matlosana / Kgasu Engineering (Pty) Ltd		
Council instituted action based on fraudulent representation and incorrect tariffs overpaid to the defendant.	1 235 775	1 235 775
City of Matlosana / Cybed Trading 0005CC		
Legal action instituted by Council against defendant for arrear debt.	12 000	12 000
City of Matlosana / J Fouche		
Matter proceeds on an opposed basis regarding compliance with regulations.	-	50 000
City of Matlosana / G Wessie		
Claim by council against a former employee for equipment not yet returned.	2 300	2 300
City of Matlosana / ZCM Britz		
The Council is claiming from defendant for loss of income. Further investigations are in progress.	61 686	61 686
City of Matlosana / KOSH Contractors		
Council instituted claims against the contractor for construction of houses which were condemned.	6 000 000	6 000 000
City of Matlosana / Lets Trade		
Council instituted claims against the contractor for construction of houses which were condemned.	10 000 000	10 000 000
City of Matlosana / Raliform Investments (Pty) Ltd		
Council instituted claims against the contractor for construction of houses which were condemned.	156 000 000	156 000 000
City of Matlosana / Metroprojects & Lapa Administration & Another		
Council instituted claims against the service provider for non performance.	-	600 000
City of Matlosana / St Pauls Insurance Company		
A claim by Council for the payment of suretyship and guarantees for work not completed by DGD Construction in Kanana. This matter has been consolidated with the matter above and a settlement agreement has been reached.	1 700 000	2 200 000

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

35. Related parties

Relationships

Councillor Douw J	Midvaal Water Company
Councillor Makhale S	Midvaal Water Company
Councillor Mapane MJ	Midvaal Water Company
Councillor Nakedi SL	Midvaal Water Company
Councillor Sebuasengwe GL	Midvaal Water Company
Councillor Thabanchu OR (Speaker)	Midvaal Water Company
Councillor Bondes I	ZMS Management Solutions (Pty) Ltd
Councillor Dithejane MC	Lerato Botho Building Electrical Construction CC

Councillors are members of the board of directors of the Midvaal Water Company (a section 21 company) who supply bulk water to the City of Matlosana. Transactions with Midvaal Water Company amounted to R 143 153 590 (2010 : R 112 492 492). Midvaal Water Company is a sole supplier and the transactions are at arm's length.

Councillor Bondes and councillor Bester was related parties to ZMS Management Solutions (Pty) Ltd which supplies debt collection services to the City of Matlosana. ZMS was awarded the work through tender process and expenditure for the year under review amounts to R 4 323 765 (2010 : R 4 311 155)

Councillor Dithejane is a member of Lerato Botho Building Electrical Construction CC which provides construction services that is awarded through the tender process. Expenditure for the current year is R 575 181 (2010 : R 7 867 210)

36. Prior period errors

Revenue from the sale of water was incorrect due to an incorrect posting and the adjustment was made.

Revenue was understated due to an expense that was incorrectly posted to the revenue post, while general expenses was understated with the same amount. The adjustment was made.

The short term portion of the loan to the Klerksdorp Rolbalklub was previously included under non-current other receivables. It has now been included under current other receivables.

An adjustment was made to unspent conditional grants after re-calculation showed differences. Unspent conditional grants were overstated.

Debt impairment was recalculated and shown to be understated. Similarly debtors was overstated and the correction was made.

The retention register was re-evaluated and was found to be overstated. Trade and other payables was overstated and was corrected.

Property plant and equipment was revised due to the ongoing implementation of GRAP 17 and various adjustments were done.

The revenue recognised for conditions met of conditional grants received, are now corrected. Government grants and subsidies was overstated.

Investment property was revalued and the comparative amount restated. Investment properties was found to be understated.

There was previously no provision for the rehabilitation of landfill sites, for continued contributions to medical aid, for long service entitlements as well as section 57 employee bonuses. The adjustment has been done retrospectively and affected provisions as well as general expenses, both understated.

A journal incorrectly passed previously, is now corrected. Various accounts were affected with the nett result being that the deficit was overstated.

The leave entitlement was recalculated retrospectively. The leave accrual (personnel costs) was found to be understated as well as trade and other payables.1

The correction of the error(s) results in adjustments as follows:

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
36. Prior period errors (continued)		
Statement of financial position		
Property, plant and equipment	-	(128 611 959)
Investment properties	-	61 740 843
Consumer debtors	-	(69 166 860)
Other receivables current	-	18 034
Other receivables non-current	-	(18 034)
Trade and other payables	-	(9 656 096)
Unspent conditional grants	-	31 243 744
Provisions	-	(253 631 570)
Vat	-	104 791
Opening Accumulated Surplus or Deficit	-	302 336 463
Statement of Financial Performance		
Personnel costs	-	5 037 958
Debt impairment	-	54 365 940
Depreciation	-	17 783 143
General expenses	-	(22 135 337)
Government grants & subsidies	-	11 074 033
Rates revenue	-	10 187
Reconnections	-	(495 276)

37. Comparative figures

Certain comparative figures have been reclassified.

1. Short term deposits previously shown as other financial assets now disclosed as cash and cash equivalents.
2. Money of Housing held in bank account in trust is now reflected as such.
3. Leave accruals previously shown as provisions now shown as accruals.
4. Trade and other receivables now classified as current trade liabilities
5. Trade and other receivables now shown as other creditors
6. Rebates on property rates now paired with the income component.
7. Free basic services for electricity, water, sewerage and sanitation and refuse removal are now classified paired against their corresponding income vote.
8. Levies received is now shown separately.
9. Certain payroll expenses was previously shown as general expenses
10. Finance cost previously grouped with general expense now shown separately.
11. Motor vehicle expenses now shown separately from repairs and maintenance
12. Security expenses now shown separately
13. Various changes on income statement for better disclosure.

The effects of the reclassification are as follows:

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
37. Comparative figures (continued)		
Statement of financial position		
1. Other financial assets	-	(73 181 026)
1. Cash and cash equivalents	-	73 181 026
2. Cash and cash equivalents	-	123 740
2. Trade and other payables	-	(123 740)
3. Provisions	-	19 080 803
3. Trade and other payables	-	(19 080 803)
4. Trade and other receivables	-	(84 340)
4. Current trade liabilities	-	84 340
5. Trade and other receivables	-	(3 532 587)
5. Other creditors	-	3 532 587
Statement of Financial Performance		
6. Property rates	-	30 905 424
6. General expenses	-	(30 905 424)
7. Sale of electricity	-	3 970 537
7. Sale of water	-	16 721 502
7. Sewerage and sanitation	-	21 361 181
7. Refuse removal	-	26 125 596
7. General expenses	-	(68 179 016)
8. Levies	-	(2 188 442)
8. Other non material income	-	2 188 442
9. Salaries	-	466 054
9. General expenses	-	(466 054)
9. Other Payroll levies	-	2 139 972
9. General Expenses	-	(2 139 972)
9. Leave pay provision	-	3 187 340
9. General expenses	-	(3 187 340)
10. Finance cost	-	4 154 335
10. General expense	-	(4 154 335)
11. Repairs and maintenance	-	(10 750 145)
11. Motor vehicle expenses	-	10 750 145
12. Contracted services	-	(9 297 452)
12. Security expenses	-	9 297 452
12. Seta training	-	2 456 218
12. Other non material income	-	29 231 053
12. Fee parking	-	193 597
12. Fees ripe and cool	-	299 821
12. Fees burial	-	850 063
12. Connections	-	959 665
12. Revaluation of shares	-	13 530
12. Recoveries	-	(874 229)
12. Reconnections	-	(19 378 611)
12. Other Income	-	(11 447 806)
12. Stock adjustment	-	222 800
12. Insurance claims - Other expenses	-	(832 934)
12. Reconnections	-	495 278

38. Risk management

Capital risk management

The municipality's objectives when managing capital are to safeguard the municipality's ability to continue as a going concern in order to provide services for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the municipality consists of debt, which includes the borrowings disclosed in notes 12, cash and cash equivalents disclosed in note 10, and equity as disclosed in the statement of financial position.

Consistent with others in the industry, the municipality monitors capital on the basis of the gearing ratio.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand

2011

2010

38. Risk management (continued)

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The municipality's strategy is to maintain a gearing ratio of between 10% to 35%.

There are no externally imposed capital requirements.

There have been no changes to what the municipality manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The gearing ratio at 2011 and 2010 respectively were as follows:

Total borrowings			
Current Liabilities		639 333 364	469 655 156
Non-current liabilities		147 569 522	132 964 152
		786 902 886	602 619 308
Less: Cash and cash equivalents	10	22 540 456	(28 982 174)
Net debt		764 362 430	631 601 482
Total equity		1 760 129 385	2 520 864 111
Total capital		2 524 491 815	3 152 465 593

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. Risk management is carried out by a central treasury department under policies approved by the accounting officer. Municipality treasury identifies, evaluates and hedges financial risks in close co-operation with the municipality's operating units. The accounting officer provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, municipality treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk. During 2011 and 2010, the municipality's borrowings at variable rate were denominated in Rand.

Cash flow interest rate risk

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

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Figures in Rand 2011 2010

38. Risk management (continued)

Financial instrument	Current interest rate	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due after five years
Trade and other receivables - normal credit terms	15.00 %	137 223 734	-	-	-	-
Trade and other receivables - normal credit terms	- %	-	18 835 389	-	-	-

Fair value interest rate risk

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2011	2010
Long term receivables	16 585 264	55 344 501
Consumer debtors	120 620 867	112 121 000
Other receivables	17 603	18 034
Cash and cash equivalents	22 543 324	44 322 592

The municipality is exposed by a guarantee for a loan at DBSA and is secured by the Nedbank investment as disclosed in note 12.

39. Going concern

We draw attention to the fact that although the municipality reported a deficit of R135 178 078 at 30 June 2011, the municipality had accumulated surplus of R 1 755 003 457 and that the municipality's total assets exceed its liabilities by R 1 760 129 385.

The municipality reviews cash flow forecast on a continuous basis and has implemented a turn-around plan to improve cash coverage and liquidity.

	2011	2010	2009
Cash coverage days(days cash on hand)	7.2	12.2	22.7
Liquidity ratio	34.3%	58.5%	272.6%
Acid test ratio	27.4%	51.8%	240.2%

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officer continue to procure funding for the ongoing operations for the municipality.

40. Events after the reporting date

After local government elections in May 2011, a new mayoral committee was formed comprising of the following persons :

- MK Khauoe (Executive Mayor)
- ME Kgaile (Councillor)
- PR Pooe (Councillor)

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand 2011 2010

40. Events after the reporting date (continued)

- GC Mbobo (Councillor)
- LV Rothman (Councillor)
- ME Mtimkulu (Councillor)
- RA Matsepe (Councillor)
- MMS Lee (Councillor)
- NS Mandela (Councillor)
- GR Kgosi (Councillor)
- ML Mothibedi (Councillor)

41. Unauthorised expenditure

Reconciliation of unauthorised expenditure

Opening balance	1 463 482	34 995
Unauthorised expenditure current year	-	329 576 181
Approved by council or condoned	-	(328 147 695)
Unauthorised expenditure awaiting authorisation	1 463 482	1 463 481

Unbudgeted expenditure : Over expenditure against budget resulted from additional depreciation charges after fair value adjustments were made to infra-structure assets, as well as additional provisions made for impairment of consumer debtors. This was condoned by Council during the reporting period.

Un-authorised expenditure : Expenses relating to various sponsorships & donations amounting to R1 428 487 are currently being investigated for compliance with Council's mandate and approval.

42. Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure

Opening balance	4 640 183	4 056 958
Fruitless and wasteful expenditure current year	1 080 068	583 225
Fruitless and wasteful expenditure awaiting condonement	5 720 251	4 640 183

The Municipality incurred interest as a result of late payment of the Eskom account for bulk electricity purchases. Fines and penalties was also incurred for late submissions and other incidents of non-compliance.

43. Irregular expenditure

Reconciliation of irregular expenditure

Opening balance	178 984 279	-
Add: Irregular Expenditure - current year	-	178 984 279
Irregular expenditure awaiting condonement	178 984 279	178 984 279

Various expenditure items were identified during the 2010 audit for which adequate supporting evidence could not be provided as proof that all Supply Chain Management Procedures were followed. These matters are currently being investigated and appropriate procedures as required by the MFMA will be implemented based on the findings of the investigations.

44. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government : SALGA

Current year subscription / fee	1 679 477	1 619 135
Amount paid - current year	(1 679 477)	(1 619 135)
	-	-

Audit fees

City of Matlosana

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Notes to the Annual Financial Statements

Figures in Rand	2011	2010
44. Additional disclosure in terms of Municipal Finance Management Act (continued)		
Opening balance	2 396 066	1 769 045
Current year subscription / fee	3 452 062	2 396 066
Amount paid - current year	(3 452 062)	-
Amount paid - previous years	(2 396 066)	(1 769 045)
	-	2 396 066
PAYE and UIF		
Current year subscription / fee	28 649 715	23 099 509
Amount paid - current year	(28 649 715)	(23 099 509)
	-	-
Pension and Medical Aid Deductions		
Current year subscription / fee	64 758 245	66 529 098
Amount paid - current year	(64 758 245)	(66 529 098)
	-	-
VAT		
VAT payable	30 045 576	30 941 015

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

44. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2011:

30 June 2011	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Councillor OR Thabanchu	98	866	964
Councillor BH Ntsangani	337	124	461
Councillor J Douw	-	72	72
Councillor AM Mapane	25	111	136
Councillor RA Marumole	51	331	382
Councillor RP Moleme	86	111	197
Councillor EN Ngalo	88	905	993
Councillor PR Pooe	144	144	288
Councillor GL Sebuasengwe	36	-	36
Councillor LL Appels	50	490	540
Councillor CJ Bester	-	425	425
Councillor I Bondes	-	134	134
Councillor SF Botes	-	1 290	1 290
Councillor MC Dithejane	17	262	279
Councillor ME Flathele	57	790	847
Councillor EG Hart	409	3 806	4 215
Councillor GR Kgosi	805	123	928
Councillor LM Kortjas	366	1 427	1 793
Councillor NL Landela	185	143	328
Councillor JJ Le Grange	316	721	1 037
Councillor MMS Lee	81	793	874
Councillor WJJ Louwrens	-	1 598	1 598
Councillor NM Mafuya	-	108	108
Councillor SL Makhale	-	124	124
Councillor GN Maleta	12	199	211
Councillor RA Matsepe	-	1 316	1 316
Councillor CG Mbobo	-	108	108
Councillor GJ Mohale	-	166	166
Councillor PL Mohoase	-	240	240
Councillor EM Mojela	178	448	626
Councillor GH Moleme	-	493	493
Councillor SD Montoedi	68	92	160
Councillor LM Mothibedi	-	110	110
Councillor SL Nakedi	-	141	141
Councillor EPJ Nel	904	2 064	2 968
Councillor GS Nkebe	-	31 367	31 367
Councillor NP Nyaqela	-	11	11
Councillor ST Pitso	109	122	231
Councillor TS Rammutle	-	132	132
Councillor KL Ross	-	681	681
Councillor LV Rothman	1 022	377	1 399
Councillor JM Sebata	-	291	291
Councillor PM Seduku	351	1 687	2 038
Councillor RK Sello	-	190	190
Councillor MP Sethunye	-	121	121
Councillor NW Setuntsa	-	24 055	24 055
Councillor MS Sishuba	141	575	716
Councillor GK Tladi	233	196	429
Councillor MAJ Tolomo	-	148	148
Councillor TZ Tshoniswa	356	135	491
Councillor R van Jaarsveld	433	1 074	1 507
Councillor LDJ vd Westhuizen	416	849	1 265

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Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

44. Additional disclosure in terms of Municipal Finance Management Act (continued)

	7 374	82 286	89 660
30 June 2010	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Councillor OR Thabanchu	603	560	1 163
Councillor BH Ntsangani	-	208	208
Councillor OM Mogale	1 337	8 418	9 755
Councillor J Douw	532	203	735
Councillor AM Mapane	-	219	219
Councillor RA Marumole	55	208	263
Councillor RP Moleme	-	208	208
Councillor EN Ngalo	81	834	915
Councillor PR Poee	33	460	493
Councillor GL Sebuasengwe	-	173	173
Councillor LL Appels	216	1 019	1 235
Councillor CJ Bester	85	267	352
Councillor I Bondes	11	208	219
Councillor SF Botes	-	896	896
Councillor M Coetzee	-	58	58
Councillor MC Dithejane	55	208	263
Councillor ME Flathele	-	1 306	1 306
Councillor EG Hart	902	4 231	5 133
Councillor GR Kgosi	-	208	208
Councillor LM Kortjas	-	742	742
Councillor NL Landela	-	219	219
Councillor JJ Le Grange	354	446	800
Councillor MMS Lee	-	715	715
Councillor WJJ Louwrens	77	1 440	1 517
Councillor NM Mafuya	102	361	463
Councillor SL Makhale	-	141	141
Councillor GN Maleta	11	285	296
Councillor RA Matsepe	858	15 359	16 217
Councillor CG Mbobo	-	208	208
Councillor P Moeng	-	270	270
Councillor GJ Mohale	-	2	2
Councillor PL Mohoase	-	208	208
Councillor EM Mojela	114	362	476
Councillor GH Moleme	730	499	1 229
Councillor SD Montoedi	90	90	180
Councillor LM Mothibedi	-	193	193
Councillor SL Nakedi	-	145	145
Councillor EPJ Nel	3 670	-	3 670
Councillor GS Nkebe	895	31 005	31 900
Councillor TJ Ntusi	-	9	9
Councillor NP Nyaqela	124	2 232	2 356
Councillor ST Pitso	100	208	308
Councillor TS Rammutle	55	208	263
Councillor KL Ross	233	588	821
Councillor LV Rothman	140	811	951
Councillor JM Sebata	527	461	988
Councillor PM Seduku	208	208	416
Councillor RK Sello	145	241	386
Councillor MP Sethunua	-	208	208
Councillor NW Setuntsa	980	23 993	24 973
Councillor MS Sishuba	222	299	521
Councillor SP Terblanche	-	910	910
Councillor GF Tladi	-	196	196
Councillor MAJ Tolomo	-	208	208

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

44. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillor TZ Tshoniswa	55	122	177
Councillor R van Jaarsveld	1 340	-	1 340
Councillor LDJ vd Westhuizen	-	904	904
	14 940	104 388	119 328

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

30 June 2011

	Highest outstanding amount 2011	Highest outstanding amount 2010
Councillor OR Thabanchu	2 488	4 542
Councillor BH Ntsangani	770	493
Councillor OM Mogale	15 251	9 754
Councillor J Douw	2 710	4 920
Councillor AM Mapane	198	285
Councillor RA Marumole	446	1 220
Councillor RP Moleme	208	256
Councillor EN Ngalo	1 056	2 405
Councillor PR Pooe	371	538
Councillor GL Sebuasengwe	867	581
Councillor LL Appels	833	1 477
Councillor CJ Bester	904	654
Councillor I Bondes	256	313
Councillor SF Botes	1 680	2 179
Councillor M Coetzee	1 390	964
Councillor MC Dithejane	287	318
Councillor ME Flathele	1 059	4 737
Councillor EG Hart	6 372	5 133
Councillor GR Kgosi	981	285
Councillor LM Kortjas	1 793	1 256
Councillor NL Landela	328	526
Councillor JJ Le Grange	1 584	1 600
Councillor MMS Lee	873	2 855
Councillor WJJ Louwrens	2 298	5 453
Councillor NM Mafuya	496	528
Councillor SL Makhale	198	314
Councillor GN Maleta	285	311
Councillor RA Matsepe	18 053	16 217
Councillor CG Mbobo	1 320	308
Councillor P Moeng	494	1 258
Councillor GJ Mohale	190	387
Councillor PL Mohoase	315	471
Councillor EM Mojela	671	1 226
Councillor GH Moleme	1 831	3 298
Councillor SD Montoedi	184	190
Councillor LM Mothibedi	282	285
Councillor SL Nakedi	178	186
Councillor EPJ Nel	8 590	4 203
Councillor GS Nkebe	49 438	31 900
Councillor TJ Ntusi	397	407
Councillor NP Nyaqela	3 917	2 426
Councillor ST Pitso	400	608
Councillor TS Rammutle	418	318
Councillor KL Ross	3 713	1 586
Councillor LV Rothman	1 399	951
Councillor JM Sebata	781	1 081
Councillor PM Seduku	2 190	417
Councillor RK Sello	202	567
Councillor MP Sethunya	207	361
Councillor NW Setuntsa	35 650	24 973

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
44. Additional disclosure in terms of Municipal Finance Management Act (continued)		
Councillor MS Sishuba	1 040	601
Councillor SP Terblanche	3 193	2 420
Councillor GK Tladi	429	547
Councillor MAJ Tolomo	320	448
Councillor TZ Tshoniswa	491	199
Councillor R van Jaarsveld	2 085	1 340
Councillor LDJ vd Westhuizen	2 294	992
	186 654	154 068

45. Utilisation of Long-term liabilities reconciliation

Long-term liabilities raised	163 940 141	144 442 584
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Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
46. Contingent liabilities		
Guarantee in favour of Telkom		
A general guarantee, ref LDP 179200040, is held by ABSA in favour of Telkom	22 860	22 860
Guarantee in favour of ESKOM		
A guarantee, ref LDP 45881001101, is held by ABSA in favour of Eskom and is secured by account 2069458868.	18 187 200	18 187 200
	18 210 060	18 210 060
North West Security Services t/a Cetronic Security Services / City of Matlosana		
A contract was cancelled with Cetronic Services. The claim against council is for services delivered after cancellation date.	91 000	91 000
Theron Jordaan & Smit / City of Matlosana		
This was an application by the claimant, a firm of attorneys, to be reinstated on the panel by council. There is also a counter action by council for files retained by the firm.	21 084	21 084
Francis Behr / City of Matlosana		
Mr. Behr claimed against the Council for not transferring Erf 3141 Orkney Extension 2 into his name as he paid an amount of R 13 500.	13 500	13 500
S Pillay / City of Matlosana		
Me. Shalin Pillay instituted legal action Council for damages suffered.	240 000	240 000
Minister Of Safety & Security / City of Matlosana		
A summon was brought against the Council by the Minister of Safety & Security, claiming money from the Council for a motor vehicle accident.	-	5 264
Betty Manisa / City of Matlosana		
Me. Betty Manisa claim from Council for services rendered during 2007.	-	22 200
ME Motuang / City of Matlosana		
ME Motuang had summons issued and served for personal injury. The plaintiff apparently stepped into an open manhole and was injured and incurred damages as a result of loss of income.	100 000	100 000
SJ Motors / City of Matlosana		
A summons was brought against the council for the amount of R 29 212.57. SJ Motors is claiming money from the Council for repair fee.	29 213	29 213
Mojo's Tent Hiring & Enterprise CC / City of Matlosana		
A letter of demand was sent to the council for payment.	1 132 800	1 132 800
NJ Myburg \ City of Matlosana		
Council is defending summons brought against the Council by plaintiff in lieu of fire damage to plaintiff's property.	1 007 879	1 007 879
IMEC Investments (Pty) Ltd / City of Matlosana		
Council is defending summons brought against the Council by plaintiff.	329 536	329 536

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

47. Statement of comparative and actual information

2011

Financial Performance

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Virement (i.t.o.council approved)	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Property rates	210 264 000	236 364 000	3 342 527	239 706 527	181 286 149	58 420 378	76 %	86 %
Service charges	750 483 000	781 027 000		781 027 000	584 965 157	196 061 843	75 %	78 %
Investment revenue	4 500 000	2 700 000		2 700 000	58 725 094	(56 025 094)	2 175 %	1 305 %
Transfers recognised - operational	286 401 000	287 880 000		287 880 000	350 041 177	(62 161 177)	122 %	122 %
Other own revenue	175 626 000	183 095 000	(3 850 277)	179 244 723	336 663 449	(157 418 726)	188 %	192 %
Total revenue (excluding capital transfers and contributions)	1 427 274 000	1 491 066 000	(507 750)	1 490 558 250	1 511 681 026	(21 122 776)	101 %	106 %
Employee costs	(350 903 000)	(336 877 000)	(9 837 928)	(346 714 928)	(397 826 696)	51 111 768	115 %	113 %
Remuneration of councillors	(16 326 000)	(16 326 000)	(443 009)	(16 769 009)	(16 747 815)	(21 194)	100 %	103 %
Debt impairment	(34 193 000)	(34 193 000)		(34 193 000)	(221 725 567)	187 532 567	648 %	648 %
Depreciation and asset impairment	(65 268 000)	(65 268 000)	(16 000)	(65 284 000)	(161 971 135)	96 687 135	248 %	248 %
Finance charges	(21 786 000)	(21 786 000)	3 769 264	(18 016 736)	(19 460 557)	1 443 821	108 %	89 %
Materials and bulk purchases	(406 702)	(406 702 000)	376 685	(406 325 315)	(405 844 890)	(480 425)	100 %	99 789 %
Other expenditure	(532 093 000)	(609 897 000)	1 139 491	(608 757 509)	(423 282 444)	(185 475 065)	70 %	80 %
Total expenditure	(1 020 975 702)	(1 491 049 000)	(5 011 497)	(1 496 060 497)	(1 646 859 104)	150 798 607	110 %	161 %
Total revenue (excluding capital transfers and contributions)	1 427 274 000	1 491 066 000	(507 750)	1 490 558 250	1 511 681 026	(21 122 776)	101 %	106 %
Total expenditure	(1 020 975 702)	(1 491 049 000)	(5 011 497)	(1 496 060 497)	(1 646 859 104)	150 798 607	110 %	161 %
Surplus/(Deficit)	406 298 298	17 000		(5 502 247)	(135 178 078)	129 675 831	2 457 %	(33)%

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

47. Statement of comparative and actual information (continued)

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Virement (i.t.o.council approved)	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers recognised - capital	(96 428 000)	91 006 000	-	91 006 000	-	91 006 000	- %	- %
Surplus/(Deficit)	406 298 298	17 000	-	(5 502 247)	(135 178 078)	129 675 831	2 457 %	(33)%
Capital transfers and contributions	(96 428 000)	91 006 000	-	91 006 000	-	91 006 000	- %	- %
Surplus (Deficit) after capital transfers and contributions	309 870 298	91 023 000	-	85 503 753	(135 178 078)	220 681 831	(158)%	(44)%
Surplus (Deficit) after capital transfers and contributions	309 870 298	91 023 000	-	85 503 753	(135 178 078)	220 681 831	(158)%	(44)%
Surplus/(Deficit) for the year	309 870 298	91 023 000	-	85 503 753	(135 178 078)	220 681 831	(158)%	(44)%

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand

47. Statement of comparative and actual information (continued)

Capital expenditure and funds sources

Cash flows

Net cash from (used) operating	-	-	-	-	175 051 126	(175 051 126)
Net cash from (used) investing	-	-	-	-	(217 184 213)	217 184 213
Net cash from (used) financing	-	-	-	-	20 350 951	(20 350 951)
Net increase/(decrease) in cash and cash equivalents	-	-	-	-	(21 782 136)	21 782 136
Cash and cash equivalents at the beginning of the year	-	-	-	-	44 322 592	(44 322 592)
Net increase / (decrease) in cash and cash equivalents	-	-	-	-	(21 782 136)	21 782 136
Cash and cash equivalents at the beginning of the year	-	-	-	-	44 322 592	(44 322 592)
Cash and cash equivalents at year end	-	-	-	-	22 540 456	(22 540 456)

City of Matlosana

Annual Financial Statements for the year ended 30 June 2011

Detailed Income statement

Figures in Rand	Note(s)	2011	2010
Revenue			
Rendering of services		48 351	(260 406)
Property rates	19	181 286 149	191 285 747
Service charges	20	582 695 319	513 206 881
Levies		2 269 838	2 188 442
Rental of facilities and equipment		5 647 402	7 025 755
Fines		8 387 312	6 220 373
Licences and permits		3 823 203	2 542 563
Government grants & subsidies	21	350 041 177	302 277 524
Market dues		12 276 215	10 890 251
Miscellaneous other revenue		400 657	112 541
Commissions received		8 767 443	9 167 651
Royalties received		1 740 078	770 858
Rental income		78 300	-
Discount received		398 782	342 062
Recoveries		1 529 600	874 229
Other income		38 397 526	12 561 486
Reconnections		18 185 444	19 378 611
Transfer for reserves and funds		144 741 554	132 336 285
Interest received - investment	26	58 725 094	58 211 165
Total Revenue		1 419 439 444	1 269 132 018
Expenditure			
Personnel	23	(397 826 696)	(342 230 715)
Remuneration of councillors	24	(16 747 815)	(14 462 711)
Depreciation and amortisation	27	(175 297 775)	(170 748 877)
Impairment loss/ Reversal of impairments		13 326 640	-
Finance costs	28	(19 460 557)	(19 512 295)
Debt impairment	25	(221 725 567)	(208 466 144)
Repairs and maintenance		(73 850 002)	(44 115 746)
Bulk purchases	31	(405 844 890)	(327 423 772)
Contracted services	30	(36 892 302)	(21 380 156)
General Expenses	22	(220 298 558)	(186 299 334)
Total Expenditure		(1 554 617 522)	(1 334 639 750)
Revenue		1 419 439 444	1 269 132 018
Expenditure		(1 554 617 522)	(1 334 639 750)
Other		-	-
Deficit for the year		(135 178 078)	(65 507 732)

The supplementary information presented does not form part of the annual financial statements and is unaudited

City of Matlosana
Appendix A

Schedule of external loans as at 30 June 2011

Loan Number	Redeemable	Balance at 30 June 2010	Received during the period	Redeemed written off during the period	Balance at 30 June 2011
		Rand	Rand	Rand	Rand
Loan Stock					
Structured loans					
Funding facility					
Development Bank of South Africa					
DBSA @ 12%	30-Sep-2014	17 978 539	-	3 200 024	14 778 515
DBSA @ 15%	30-Sep-2017	5 266 489	-	419 026	4 847 463
DBSA @ 15,25%	30-Sep-2018	5 819 124	-	371 087	5 448 037
DBSA @ 15,60%	30-Sep-2020	3 415 024	-	144 534	3 270 490
DBSA @ prime	30-Sep-2019	5 000 000	-	555 556	4 444 444
DBSA @ prime	30-Jun-2019	14 998 125	-	-	14 998 125
DBSA @ 11,50%	30-Jun-2013	6 849 024	-	2 033 957	4 815 067
DBSA @ 11,20%	30-Jun-2019	21 793 497	-	1 507 547	20 285 950
DBSA @ 11,20%	30-Jun-2019	27 270 518	-	1 886 415	25 384 103
DBSA @ 15%	31-Mar-2018	9 615 864	-	1 009 255	8 606 609
DBSA @ 15,25%	30-Mar-2019	4 097 677	-	356 196	3 741 481
DBSA @ 15,25%	20-Sep-2019	6 068 479	-	527 510	5 540 969
DBSA @ 15%	30-Sep-2019	4 670 564	-	405 995	4 264 569
DBSA @ 15%	31-Mar-2014	687 171	-	160 714	526 457
DBSA @ 15%	31-Mar-2015	710 776	-	166 235	544 541
DBSA @ 15%	31-Mar-2015	1 561 742	-	286 459	1 275 283
DBSA @ 15%	31-Mar-2015	1 692 197	-	279 526	1 412 671
DBSA @ 12,25%	01-Nov-2010	-	35 269 878	762 569	34 507 309
		137 494 810	35 269 878	14 072 605	158 692 083
Bonds					
Other loans					
Lease liability					
Annuity loans					
INCA @ 12,25%	31-Dec-2013	6 947 772	-	1 699 716	5 248 056
		6 947 772	-	1 699 716	5 248 056
Total external loans					

Schedule of external loans as at 30 June 2011

Loan Number	Redeemable	Balance at 30 June 2010 Rand	Received during the period Rand	Redeemed written off during the period Rand	Balance at 30 June 2011 Rand
Development Bank of South Africa Annuity loans		137 494 810	35 269 878	14 072 605	158 692 083
		6 947 772	-	1 699 716	5 248 056
		144 442 582	35 269 878	15 772 321	163 940 139

**City of Matlosana
City of Matlosana
Appendix B**

**Analysis of property, plant and equipment as at 30 June 2011
Cost/Revaluation Accumulated depreciation**

	Opening Balance Rand	Additions Rand	Disposals Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Depreciation Rand	Closing Balance Rand	Carrying value Rand
Land and buildings											
Land (Separate for AFS purposes)	44 685 527	-	(44 685 527)	143 084 122	-	143 084 122	(2 007 857)	2 007 857	-	-	143 084 122
Buildings (Separate for AFS purposes)	135 999 987	10 857 428	-	-	751 345	147 608 760	(34 018 575)	-	(4 375 680)	(38 394 255)	109 214 505
	180 685 514	10 857 428	(44 685 527)	143 084 122	751 345	290 692 882	(36 026 432)	2 007 857	(4 375 680)	(38 394 255)	252 298 627
Infrastructure											
Roads, Pavements & Bridges	1 106 704 350	49 988 473	(127 976 268)	-	14 670 217	1 043 386 772	(301 495 906)	79 840 924	(30 482 869)	(252 137 851)	791 248 921
Sidewalks	44 502 785	4 312 084	(6 424 448)	-	949 426	43 339 847	(5 444 420)	3 280 761	(44 590 229)	(46 753 888)	(3 414 041)
Electricity Reticulation	384 541 931	9 933 870	(132 381 859)	-	2 287 189	264 381 131	(113 253 940)	78 960 664	(14 114 207)	(48 407 483)	215 973 648
Water Reticulation	491 800 816	17 821 564	(74 306 848)	-	13 498 831	448 814 363	(118 342 598)	44 199 089	(24 592 125)	(98 735 634)	350 078 729
Sewerage purification	668 934 371	11 285 713	(111 290 824)	-	32 818 310	601 747 570	(141 560 295)	46 722 009	(33 628 008)	(128 466 294)	473 281 276
Transportation (Airports, Car Parks, Bus Terminals and Taxi Ranks)	7 176 515	-	(1 331 146)	-	-	5 845 369	(1 717 620)	1 104 223	(325 205)	(938 602)	4 906 767
Security systems	8 962 551	1 093 640	(4 391 459)	-	-	5 664 732	(7 699 395)	4 391 459	(867 903)	(4 175 839)	1 488 893
	2 712 623 319	94 435 344	(458 102 852)	-	64 223 973	2 413 179 784	(689 514 174)	258 499 129	(148 600 546)	(579 615 591)	1 833 564 193
Community Assets											
Parks & gardens	16 238 133	1 569 485	-	-	-	17 807 618	(7 231 598)	-	(694 146)	(7 925 744)	9 881 874
Buildings	64 876 528	9 351 998	-	-	7 619 079	81 847 605	(21 572 698)	-	(1 994 032)	(23 566 730)	58 280 875
	81 114 661	10 921 483	-	-	7 619 079	99 655 223	(28 804 296)	-	(2 688 178)	(31 492 474)	68 162 749

Analysis of property, plant and equipment as at 30 June 2011 Cost/Revaluation Accumulated depreciation

	Opening Balance Rand	Additions Rand	Disposals Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Depreciation Rand	Closing Balance Rand	Carrying value Rand
Heritage assets											
Museum	242 839	-	-	-	-	242 839	(84 725)	-	-	(84 725)	158 114
Statues	244 963	121 273	-	-	-	366 236	-	-	-	-	366 236
Historical buildings	713 407	-	-	-	-	713 407	-	-	-	-	713 407
Historical sites	19 591	-	-	-	-	19 591	-	-	-	-	19 591
Paintings and sculptures	349 736	-	-	-	-	349 736	-	-	-	-	349 736
	1 570 536	121 273	-	-	-	1 691 809	(84 725)	-	-	(84 725)	1 607 084
Specialised vehicles											
Other assets											
General vehicles	95 334 768	18 659 279	-	-	-	113 994 047	(55 282 918)	-	(5 464 858)	(60 747 776)	53 246 271
Plant & equipment	109 667 498	1 881 825	(3 214)	-	-	111 701 482	(73 217 484)	3 214	(8 704 814)	(81 919 084)	29 782 398
Furniture & Fittings	28 524 256	789 388	(142 288)	-	-	29 171 356	(25 533 833)	142 288	(820 637)	(26 212 182)	2 959 174
Office Equipment	31 912 041	4 131 231	(20 853)	-	-	36 022 419	(22 269 524)	20 853	(3 736 206)	(25 984 877)	10 037 542
Containers	9 741 662	588 993	-	-	-	10 330 655	(6 222 220)	-	(782 516)	(7 004 736)	3 325 919
Emergency	1 428 512	324 623	(7 383)	-	-	1 745 752	(573 474)	7 383	(120 230)	(686 321)	1 059 431
Watercraft	7 432	325 202	-	-	-	332 634	(4 459)	-	(4 109)	(8 568)	324 066
	276 616 169	26 700 541	(173 738)	-	-	303 298 345	(183 103 912)	173 738	(19 633 370)	(202 563 544)	100 734 801
Total property plant and equipment											
Land and buildings	180 685 514	10 857 428	(44 685 527)	143 084 122	-	290 692 882	(36 026 432)	2 007 857	(4 375 680)	(38 394 255)	252 298 627
Infrastructure	2 712 623 319	94 435 344	(458 102 852)	-	-	2 413 179 784	(689 514 174)	258 489 129	(148 600 546)	(579 615 591)	1 833 564 193
Community Assets	81 114 661	10 921 483	-	-	-	99 655 223	(28 804 296)	-	(2 688 178)	(31 492 474)	68 162 749
Heritage assets	1 570 536	121 273	-	-	-	1 691 809	(84 725)	-	-	(84 725)	1 607 084
Other assets	276 616 169	26 700 541	(173 738)	-	-	303 298 345	(183 103 912)	173 738	(19 633 370)	(202 563 544)	100 734 801
	3 252 610 199	143 036 069	(502 962 117)	143 084 122	-	3 108 518 043	(937 533 539)	260 680 724	(175 297 774)	(852 150 589)	2 256 367 454
Agricultural/Biological assets											
Intangible assets											
Investment properties											
Farms	2 367 580	-	-	-	-	2 367 580	-	-	-	-	2 367 580
Office park	61 761 911	-	-	-	-	61 761 911	-	-	-	-	61 761 911
Housing	3 014 909	-	-	-	-	3 014 909	-	-	-	-	3 014 909
	67 144 400	-	-	-	-	67 144 400	-	-	-	-	67 144 400

Analysis of property, plant and equipment as at 30 June 2011
Cost/Revaluation **Accumulated depreciation**

	Opening Balance Rand	Additions Rand	Disposals Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Depreciation Rand	Closing Balance Rand	Carrying value Rand
Total	180 685 514	10 857 428	(44 685 527)	143 084 122	751 345	290 692 882	(36 026 432)	2 007 857	(4 375 680)	(38 394 255)	252 298 627
Land and buildings	2 712 623 319	94 435 344	(458 102 852)	-	64 223 973	2 413 179 784	(689 514 174)	258 499 129	(148 600 546)	(579 615 591)	1 833 564 193
Infrastructure	81 114 661	10 921 483	-	-	7 619 079	99 655 223	(28 804 296)	-	(2 688 178)	(31 492 474)	68 162 749
Community Assets	1 570 536	121 273	-	-	-	1 691 809	(84 725)	-	-	(84 725)	1 607 084
Heritage assets	276 616 169	26 700 541	(173 738)	-	155 373	303 298 345	(183 103 912)	173 738	(19 633 370)	(202 563 544)	100 734 801
Other assets	67 144 400	-	-	-	-	67 144 400	-	-	-	-	67 144 400
Investment properties	3 319 754 599	143 036 069	(502 962 117)	143 084 122	72 749 770	3 175 662 443	(937 533 539)	260 680 724	(175 297 774)	(852 150 589)	2 323 511 854

Segmental analysis of property, plant and equipment as at 30 June 2011 Cost/Revaluation Accumulated Depreciation

	Opening Balance Rand	Additions Rand	Disposals Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Depreciation Rand	Closing Balance Rand	Carrying value Rand
Municipality											
Health/Clinics	6 426 496	65 123	(30 640)	-	-	6 460 979	(5 397 485)	20 611	(85 789)	(5 462 663)	998 316
Comm. & Social/Libraries and archives	137 353 536	12 898 039	(6 915 796)	-	-	149 767 458	(90 316 299)	3 617 500	(5 650 060)	(92 348 858)	57 418 599
Housing	24 567 889	-	(15 026 686)	-	-	9 541 203	(4 290 025)	226 067	(674 150)	(4 738 108)	4 803 095
Public Safety/Police	56 228 037	6 074 819	(3 912 313)	-	-	58 390 543	(25 960 826)	2 393 331	(3 910 720)	(27 478 215)	30 912 328
council general	29 408 988	12 095 401	(228 002)	-	-	42 027 732	(3 604 076)	165 967	(3 051 567)	(6 489 676)	35 538 056
City Civil Engineer	2 433 269 909	92 751 588	(326 886 622)	-	-	2 602 134	(608 211 860)	168 235 274	(136 767 608)	(576 744 194)	1 693 592 879
City Electrical Engineer	460 666 806	11 332 580	(150 087 408)	-	-	326 276 525	(148 123 823)	82 580 809	(19 429 350)	(84 992 364)	241 284 161
Corporate services	46 327 867	4 465 848	(4 334 941)	210 228 522	-	256 687 296	(23 917 161)	2 674 421	(2 026 567)	(23 269 307)	233 417 989
Financial section	28 851 673	2 622 453	(302 241)	-	-	31 171 885	(14 057 944)	250 000	(2 354 285)	(16 162 229)	15 009 656
Market	30 784 522	685 477	(485 942)	-	-	30 984 057	(12 551 110)	485 942	(1 096 772)	(13 161 940)	17 822 117
Local economic development	4 128 037	44 740	(155 083)	-	-	4 017 694	(1 102 930)	50 803	(250 907)	(1 303 034)	2 714 660
	3 258 013 760	143 036 068	(508 365 674)	210 228 522	72 749 769	3 175 662 445	(937 533 539)	260 680 725	(175 297 775)	(852 150 589)	2 323 511 856
Municipal Owned Entities											
Total											
Municipality	3 258 013 760	143 036 068	(508 365 674)	210 228 522	72 749 769	3 175 662 445	(937 533 539)	260 680 725	(175 297 775)	(852 150 589)	2 323 511 856
	3 258 013 760	143 036 068	(508 365 674)	210 228 522	72 749 769	3 175 662 445	(937 533 539)	260 680 725	(175 297 775)	(852 150 589)	2 323 511 856

**City of Matlosana
Appendix D**

**Segmental Statement of Financial Performance for the year ended
Current Year**

Prior Year	Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand	Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
Municipality						
4 841 708	86 878 097	(82 036 389)	Executive & Council/Mayor and Council	30 545 299	143 272 136	(112 726 837)
537 584 518	209 975 562	327 608 956	Finance & Admin/Finance	537 944 215	238 429 540	299 514 675
(1 750)	13 993 508	(13 995 258)	Planning and Development/Economic Development/Plan	12 511 024	28 175 020	(15 663 996)
298 301	7 779 154	(7 480 853)	Health/Clinics	251 603	7 331 985	(7 080 382)
106 478 219	138 612 964	(32 134 745)	Comm. & Social/Libraries and archives	119 050 839	166 400 272	(47 349 433)
2 865 457	11 551 116	(8 685 659)	Housing	2 173 847	27 757 761	(25 583 914)
22 292 066	142 068 939	(119 776 873)	Public Safety/Police	94 803 147	133 179 912	(38 376 765)
249 322 089	392 252 066	(142 929 977)	Road Transport/Roads	270 510 345	438 717 301	(168 206 956)
318 820 365	280 125 415	38 694 950	Electricity /Electricity Distribution	395 535 628	423 168 126	(27 632 498)
26 631 045	51 402 929	(24 771 884)	Other/Air Transport	47 697 673	57 820 915	(10 123 242)
1 269 132 018	1 334 639 750	(65 507 732)		1 511 023 620	1 664 252 968	(153 229 348)
Municipal Owned Entities Other charges						
1 269 132 018	1 334 639 750	(65 507 732)	Municipality	1 511 023 620	1 664 252 968	(153 229 348)
1 269 132 018	1 334 639 750	(65 507 732)	Total	1 511 023 620	1 664 252 968	(153 229 348)

**City of Matlosana
Appendix E(1)**

**Actual versus Budget(Revenue and Expenditure) for the year ended 30 June
2011**

	Current year 2011		Current year 2011		Variance	Var	Explanation of Significant Variances greater than 10% versus Budget
	Act. Bal.	Adjusted budget	Rand	Rand			
	Rand				Rand		
Revenue							
Rendering of services	48 351	398 070			(349 719)	(87.9)	Under collection
Property rates	181 286 149	239 706 527			(58 420 378)	(24.4)	Offset of rebates and other
Service charges	582 695 319	781 028 622			(198 333 303)	(25.4)	Offset of rebates and free basic services
Levies	2 269 838	-			2 269 838	-	
Rental of facilities and equipment	5 647 401	6 139 000			(491 599)	(8.0)	
Fines	8 387 312	9 052 000			(664 688)	(7.3)	
Licences and permits	3 823 203	5 128 000			(1 304 797)	(25.4)	
Government grants & subsidies	350 041 176	287 880 000			62 161 176	21.6	Received more grants from treasury
Market dues	12 276 215	11 372 720			903 495	7.9	
Other income	214 491 430	89 743 061			124 748 369	139.0	Increased income
Interest received - investment	58 725 094	60 618 000			(1 892 906)	(3.1)	
	1 419 691 488	1 491 066 000			(71 374 512)	(4.8)	
Expenses							
Personnel	(397 826 700)	(336 877 000)			(60 949 700)	18.1	Leave accruals and provisions accounted for
Remuneration of councillors	(16 747 814)	(16 326 000)			(421 814)	2.6	
Depreciation	(175 297 776)	(65 268 000)			(110 029 776)	168.6	GRAP 17 implementation relates to higher depreciation
Finance costs	(19 460 557)	(21 786 000)			2 325 443	(10.7)	
Debt impairment	(208 398 927)	(34 193 000)			(174 205 927)	509.5	The provision is higher than anticipated
Repairs and maintenance - General	(73 850 003)	(72 443 346)			(1 406 657)	1.9	
Bulk purchases	(405 844 890)	(406 702 476)			857 586	(0.2)	
Contracted Services	(36 892 302)	(34 086 000)			(2 806 302)	8.2	
General Expenses	(220 298 558)	(503 366 178)			283 067 620	(56.2)	Rebates and free services offset against income
	(1 554 617 527)	(1 491 048 000)			(63 569 527)	4.3	
Other revenue and costs							
	-	-			-	-	
Net surplus/ (deficit) for the year	(134 926 039)	18 000			(134 944 039)	(749 689.1)	

**Budget Analysis of Capital Expenditure as at 30 June
2011**

	Additions	Revised Budget	Variance	Variance	Explanation of significant
	Rand	Rand	Rand	%	variances from budget
Municipality					
Land and Buildings : Land	6 587 136	34 890 494	28 303 358	81	
Infrastructure : Electricity networks	8 764 899	18 603 561	9 838 662	53	
Infrastructure : Roads and stormwater	36 524 608	94 842 016	58 317 408	61	
Infrastructure : Water networks	14 925 992	36 771 208	21 845 216	59	
Infrastructure : Sewerage networks	39 978 828	58 059 133	18 080 305	31	
Infrastructure : Sidewalks	1 471 292	8 342 872	6 871 580	82	
Infrastructure : Security systems	1 093 640	1 405 000	311 360	22	
Community assets : Buildings	13 394 501	20 304 176	6 909 675	34	
Community assets : Parks and recreation	1 569 485	3 355 000	1 785 515	53	
Heritage assets : Statues	121 273	469 418	348 145	74	
Other assets : Office equipment	4 131 231	4 728 493	597 262	13	
Other assets : Furniture	789 388	3 355 880	2 566 492	76	
Other assets : Containers	588 993	1 410 000	821 007	58	
Other assets : Emergency equipment	324 623	480 000	155 377	32	
Other assets : Vehicles	17 845 319	19 127 612	1 282 293	7	
Other assets : Watercraft	325 202	600 000	274 798	46	
Other assets : Plant and equipment	1 933 538	7 571 733	5 638 195	74	
Security systems	-	-	-	-	
Community assets	-	-	-	-	
	150 369 948	314 316 596	163 946 648	52	
Municipal Owned Entities	-	-	-	-	
Other charges	-	-	-	-	

City of Matlosana

Appendix F

Disclosures of Grants and Subsidies in terms of Section 123 MIFMA, 56 of 2003

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts				Quarterly Expenditure				Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of latest Division of Revenue Act	Reason for noncompliance
		Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun			
MIG	National Treasury	40 200	20 000	252	-	12 676	19 491	16 668	17 106		Yes	
Nersa	National Treasury	-	-	-	-	-	652	512	2 329		Yes	
FMG	National Treasury	1 000	-	-	-	109	140	342	263		Yes	
DWAF	National Treasury	-	-	-	-	-	-	-	-		Yes	
MSIG	National Treasury	750	-	-	-	114	603	195	121		Yes	
EPWP	National Treasury	-	-	35	1 670	-	-	-	-		Yes	
Fire	Provincial Treasury	-	-	-	-	-	2 255	325	-		Yes	
Library	Provincial Treasury	-	-	-	-	7	136	151	137		Yes	
		41 950	20 000	287	1 670	12 906	23 277	18 193	19 956			

The amounts above are in R '000

NOTES

[illegible]



8

Annexure A
2010/11 Annual
Performance Report

1. NATIONAL KEY PERFORMANCE AREAS

KEY PERFORMANCE AREA 1: Basic Service Delivery & Infrastructure Development

DIRECTORATE: Infrastructure & Utilities							
Indicator	Previous Financial Years		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	2008/09	2009/10	Target	Actual Performance			
OBJECTIVE: To provide basic municipal services							
Number and % of households with access to basic level of sanitation by June 2011 - Urban Settlements	115,761 98%	115,933 98.82%	116,358 99.18%	116,956 99.70%		Target achieved	Maintain the momentum
Number of household backlogs without access to basic level of sanitation by June 2011 - Urban Settlements	1,582	1,382	882	1,065		No funding available for provision of proclaimed land	Apply for additional funding and provision of land
Nr. of backlogs eliminated by June 2011 - Urban Settlements	200	669*	500	317		No funding available for provision of proclaimed land	Apply for additional funding and provision of land
Number and % of households with access to basic level of sanitation by June 2011 - Rural Settlements	New Field	260 56.4%	362 78.5%	461 100%		Over achieved	Maintain the momentum
Number of household backlogs without the access to basic level of sanitation by June 2011 - Rural Settlements	New Field	201*	101	0 (Zero Backlogs)		Over achieved	Maintain the momentum
Nr. of backlogs eliminated by June 2011 - Rural Settlements	New Field	137	101	201		Over achieved	Maintain the momentum
Figure includes the influx of informal settlements							



– Meets or exceeds target;



– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Years		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	2008/09	2009/10	Target	Actual Performance			
OBJECTIVE: To provide basic municipal services							
Number and % of households with access to basic level of water by June 2011 - Urban Settlements	125,675 98.53%	126,785 100%	126,968 100%	126,968 100%	👍	Target achieved	Maintain the momentum
Number of household backlogs without the access to basic level of water by June 2011 - Urban Settlements		0	0	0 (Zero backlogs)	👍	Target achieved	Maintain the momentum
Number of backlogs eliminated by June 2011 - Urban Settlements	0	0	0	0	👍	Target achieved	Maintain the momentum
Number and % of households with access to basic level of water by June 2011 - Rural Settlements	0	3,486 65.4%	3,886 72.9%	3,892 73%	👍	Over achieved	Maintain the momentum
Number of household backlogs without the access to basic level of water by June 2011 - Rural Settlements	1,845*	1,845*	1,445	1,439	👍	Over achieved	Maintain the momentum
Number of backlogs eliminated by June 2011 - Rural Settlements	2,868	1,023	400	406	👍	Over achieved	Maintain the momentum
* Figure includes the influx of informal settlements							



– Meets or exceeds target;



– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Years		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	2008/09	2009/10	Target	Actual Performance			
OBJECTIVE: To provide basic municipal services							
Number and % of households with access to basic level of electricity by June 2011 - Urban Settlements	125,000 90%	166,900 97.53%	167,418 98.65%	167,795 98.87%		Over achieved	Maintain the momentum
Number of household backlogs without access to basic level of electricity by June 2011 - Urban Settlements	6,981	4,657	4,139	3,769		Over achieved	Maintain the momentum
Number of backlogs eliminated by June 2011 - Urban Settlements	2,234	2,813	518	1,192		Over achieved	Maintain the momentum
Number and % of households with access to basic level of electricity by June 2011 - Rural Settlements	New field	130 26.86%	130 26.86%	180 37.19%		Over achieved	Maintain the momentum
Number of household backlogs without access to basic level of electricity by June 2011 - Rural Settlements	New field	354	354	304		Over achieved	Maintain the momentum
Number of backlogs eliminated by June 2011 - Rural Settlements	New field	660	0	50		Over achieved	Maintain the momentum
All figures includes pre-paid meters							
* Figure includes the influx of informal settlements							



– Meets or exceeds target;



– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Years		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	2008/09	2009/10	Target	Actual Performance			
DIRECTORATE: Municipal & Social Services							
OBJECTIVE: To provide basic municipal services							
% of households with access to basic level of refuse removal by June 2011 – Urban Areas	100,200 100%	106,200 100%	107,000 100%	107,000 100%		Target achieved	Maintain the momentum
Nr. of households with access to basic level of refuse removal by June 2011 – Urban Areas	0	0	0	0 (Zero backlogs)		No backlogs	Maintain the momentum
Nr. of household backlogs with the access to basic level of refuse removal by June 2011 – Urban Areas	0	0	0	0		No backlogs	Maintain the momentum
% of households with access to basic level of refuse removal by June 2011 – Rural Areas	New field	New field	0 0%	0 0%		Cannot render service on un-proclaimed land	Final approval of Waste Management Plan by Council and Province
Nr. of households with access to basic level of refuse removal by June 2011 – Rural Areas	New field	New field	0	0		Cannot render service on un-proclaimed land	Final approval of Waste Management Plan by Council and Province
Nr. of household backlogs with the access to basic level of refuse removal by June 2011 – Rural Areas	New field	New field	0	0		Cannot render service on un-proclaimed land	Final approval of Waste Management Plan by Council and Province



– Meets or exceeds target;





– Currently does not meet target;



– Project on hold;

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KEY PERFORMANCE AREA 2: Local Economic Development

DIRECTORATE: Financial Services							
Indicator	Previous Financial Years		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	2008/09	2009/10	Target	Actual Performance			
OBJECTIVE: Jobs created to address unemployment							
Number of permanent and jobs exceeding 3 months jobs created through the Municipality's local economic development initiatives including capital projects by June 2011 – Urban Areas	819 Jobs created	961 Jobs created	300 Jobs created	712 Jobs created		Over achieved	Maintain the momentum
Number of permanent and jobs exceeding 3 months jobs created through the Municipality's local economic development initiatives including capital projects by June 2011 – Rural Areas	New field	51 Jobs created	700 Jobs created	305 Jobs created		Investors choose to invest in the CBD rather than the rural areas	Tender on rural development issued



– Meets or exceeds target;



– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

KEY PERFORMANCE AREA 3: Municipal Institutional Development and Transformation

DIRECTORATE: Corporate Governance							
Indicator	Previous Financial Years		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	2008/09	2009/10	Target	Actual Performance			
OBJECTIVE: The percentage of municipality's budget actually spent on implementing its workplace skill plan							
Rand value and % of Training Expenditure / Levy achieved for 2009/10 by August 2010	R2,631,751 109.49%	R2,969,419 112.41%	R3,572,241 98.48%	R3,513,599 98.36%		No training during elections	Maintain the momentum
Rand value and % of SETA 2009/10 by August 2010	R967,916 95.50%	R714,471 67.79%	R1,500,000 95%	R1,611,466 100%		Over achieved	Maintain the momentum
OBJECTIVE: The number of people from employment equity target groups employed in the three highest level of management							
Number of males employees by June 2011	31	31	31	31		Target achieved	Maintain the momentum
Number of females employees by June 2011	9	9	9	9		Target achieved	Maintain the momentum



– Meets or exceeds target;



– Currently does not meet target;



– Project on hold;

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KEY PERFORMANCE AREA 4: Municipal Financial Viability & Management

DIRECTORATE: Financial Services							
Indicator	Previous Financial Year		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	2008/09	2009/10	Target	Actual Performance			
OBJECTIVE: To allocated Indigent Subsidy for Free Basic Services to comply with legislation							
% Of registered households earning less than R2,160 per month with access to free basic services by June 2011	33.90% Registered households	35% Registered households	36% Registered households	39.4% Registered households	👍	New indigents identified	Enhance job creation
Number of approved earning less than R2,160 per month with access to free basic services by June 2011	38,286 Approved households	39,389 Approved households	39,700 Approved households	42,213 Approved households	👍	New indigents identified	Enhance job creation
R value spend on households earning less than R2,160 per month with access to free basic services by June 2011	New entry	R70,000,000	R70,000,000	R95,027,206	👍	New indigents identified	Enhance job creation
70 Kwh Electricity & 10kℓ Water free							
OBJECTIVE: The percentage of the municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipalities IDP.							
Revised capital budget approved by June 2010	R293,535m (Revised)	R375,705,200 (Revised)	R314,316,596	R314,316,596	👍	Target achieved	Maintain the momentum



– Meets or exceeds target;






– Currently does not meet target;



– Project on hold;

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Indicator	Previous Financial Year		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	2008/09	2009/10	Target	Actual Performance			
OBJECTIVE: The percentage of the municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipalities IDP.							
Total expenditure as at 30 June 2010	R88,443,504	R183,333,643	R174,037,982	R150,369,907		Slow progress on spending and poor planning	Approve roll-overs and capacitated SCM
% Spent by June 2010	64.20%	51.25%	55.37%	47.84%		Slow progress on spending and poor planning	Approve roll-overs and capacitated SCM
OBJECTIVE: To express financial viability							
% of Debt coverage ratio $A=(B-C) / D$ Where: "A" represents debt coverage "B" represents total operating revenue received "C" represents operating grants "D" represents debt service payments (i.e. interest + redemption) due within the financial year	79.1:1	84.3:1	50.0:1	24.2:1		Target achieved No loans obtained for service delivery	Maintain the momentum



– Meets or exceeds target;



– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Year		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	2008/09	2009/10	Target	Actual Performance			
OBJECTIVE: To express financial viability							
% of Outstanding Service Debtors to Revenue ratio A=B/C Where: "A" represents outstanding service debtors to revenue "B" represents total outstanding service debtors "C" represents annual revenue actually received for services	25.1%	21.8%	16%	15.74%	👍	Poor collection rate	Increase debt collection and restrict services for defaulters
% of Cost coverage ratio A=(B+C)/D Where: "A" represents cost coverage "B" represents all available cash at a particular time "C" represents investments "D" represents monthly fixed operating expenditure	121.6%	112.5%	100%	42.7%	👍	Incurred to much operational expenditure Poor collection rate	Strict control and prioritization of expenditure Increase debt collection and restrict services for defaulters



– Meets or exceeds target;





– Currently does not meet target;






– Project on hold;

2010/11 Annual Performance Report

2. OUTCOME 9 OF GOVERNMENT (Excluding the National Key Performance Indicators)

SERVICE DELIVERY							
Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To provide access to municipal roads							
Km of new municipal roads constructed – Urban Areas	15 Km	12.3 Km	23.08 Km	15.04 Km		Slow progress on projects, due to poor performance by contractors. Some contracts terminated	Request roll-over
Km of new municipal roads constructed – Rural Areas	0 Km	0 Km	0 Km	0 Km		Council cannot service un-proclaimed land	N/A

FINANCIAL & ADMINISTRATIVE & CAPACITY						
Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance		
Revenue management						
OBJECTIVE: To establish the payments received vs. monthly levies						
% Monthly collection rate on billings by June 2011	85%	82%	85%	69%		BCX to increase server capacity to avoid future problems.
OBJECTIVE: To establish the payments received vs. monthly levies						
% Increase in annual debtors collection rate in annual debtors by June 2011	3% Increase (from current 85% to 88%)	-3% Increase (from current 85% to 82%)	3% Increase (from current 82% to 85%)	-2% Increase (from current 82% to 80%)		BCX to increase server capacity to avoid future problems.
OBJECTIVE: To establish the payments received vs. monthly levies						
Grants as a % of revenue received by June 2011	60%	54%	100%	96.78%		Maintain the momentum



– Meets or exceeds target;










– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
Debt Management							
OBJECTIVE: To enhance the debt collection rate							
R debtors outstanding as a % of own revenue	New field	New field	100%	78%		Outstanding debtors are too high and public cannot pay their debt.	Enhance job creation
% of debt over 90 days	New field	New field	0%	81%		Too much unemployment within the city.	Enhance job creation
Percentage of debt collected as a percentage of money owed to the municipality	New field	New field	100%	11.30%		Outstanding debtors are too high and public cannot pay their debt.	Enhance job creation
Expenditure Management							
OBJECTIVE: To enhance the debt collection rate							
Monthly operational expenditure as a percentage of planned expenditure	100%	33%	100%	94%		Slow progress on spending and poor planning	Approve roll-overs and capacitated SCM
Monthly capital expenditure as a % of planned capital expenditure	100%	17%	100%	47.84%		Slow progress on spending and poor planning	Approve roll-overs and capacitated SCM
% of operational budget spent on repairs and maintenance	100%	25%	100%	121.93%		Slow progress on spending and poor planning	Approve roll-overs and capacitated SCM
MIG expenditure a % of annual allocation	100%	90.82%	100%	84.38%		Slow progress on spending and poor planning	Approve roll-overs and capacitated SCM



– Meets or exceeds target;








– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
Unqualified Audit							
OBJECTIVE: To establish the payments received vs. monthly levies							
Audit opinion by June 2011	Unqualified report	Disclaimer	Unqualified report	Disclaimer		Proof of evidence files. Process followed incorrect. Alignment between budget, IDP & PMS	Established Clean Audit Teams. Appoint repeatable company to assist with assets and AFS
Integrated Development Planning							
OBJECTIVE: To approve the final IDP to comply with legislation							
Timeous adoption of the final 2011/12 IDP by Council by May 2011	Final 2010/11 IDP approved	Final 2010/11 IDP approved	Final 2011/12 IDP approved	Final 2011/12 IDP approved (CC 35/2011 dated 29 April 2011)		Target achieved	Maintain the momentum
OBJECTIVE: To approve the Budget in order to comply with legislation							
Timeous adoption of the final 2011/12 budget approved	31 May 2010	31 May 2010	31 May 2011	2011/12 Budget approved (CC 35/2011 dated 29 April 2011)		Target achieved	Maintain the momentum
OBJECTIVE: To approve the SDBIP to ensure compliance with legislation (28 days after approval of budget)							
Timeous adoption of the final 2011/12 SDBIP approved by Executive Mayor by June 2011	Final 2010/11 SDBIP approved	Final 2010/11 SDBIP approved	Final 2011/12 SDBIP approved	Final 2011/12 SDBIP approved by EM 27/2011 on 17 May 2011		Target achieved	Maintain the momentum
Administration							
OBJECTIVE: To submit the 2009/10 Financial Statements to comply with legislation							
2009/10 Financial statements submitted to the Auditor-General by August 2010	31 August 2009	2008/09 Statements submitted by 31 August 2009	31 August 2010	2009/10 Statements submitted on 31 August 2010		Target achieved	Maintain the momentum



– Meets or exceeds target;








– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To table the Annual Report to comply with legislation							
2009/10 Annual Report tabled before Council by 31 January 2011	2008/09 Annual Report tabled	2008/09 Annual Report tabled	2009/10 Annual Report tabled	2009/10 Annual Report tabled (CC 6/2011 dated 31 January 2011)		Target achieved	Maintain the momentum
OBJECTIVE: To allocated Indigent Subsidy for Free Basic Services to comply with legislation							
Updated and credible indigent registers by June 2011	Granted and approved subsidies	Granted and approved subsidies	Granted and approved subsidies	Granted and approved subsidies		Target achieved	Maintain the momentum
Financial controls applied to ensure usage is monitored / limited to indigent policy by June 2011	Verification of beneficiaries	Verification of beneficiaries	Verification of beneficiaries	Verification of beneficiaries		Target achieved	Maintain the momentum
Reduce Corruption							
OBJECTIVE: To implement internal co-operation and control to ensure compliance with legislation							
Functional supply chain management system by June 2011	Supply chain management policies implemented and monitored	Supply chain management policy developed	Supply chain management policies implemented and monitored	Supply chain management policies implemented and monitored		Target achieved	Maintain the momentum
Anti-corruption strategy implemented by target date	Implement the anti-corruption strategy	Not yet	Implement the anti-corruption strategy	Not yet		Lack of adherence to timeline	Intervention



– Meets or exceeds target;








– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

LABOUR RELATIONS							
Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To filled critical Positions with competent employees							
% of critical posts filled	7 Positions filled 100%	7 Positions filled 100%	7 Positions filled 100%	7 Positions filled 100%		Target achieved	Maintain the momentum
OBJECTIVE: To sign Performance Agreements to comply with legislation							
2011/12 Performance Agreements with section 57 employees signed by June 2011	2010/11 Performance Agreements signed	2010/11 Performance Agreements signed	2011/12 Performance Agreements signed	2011/12 Performance Agreements signed (EM 27/2011 dated 17 May 2011)		Target achieved	Maintain the momentum
OBJECTIVE: To hold LLF meetings to ensure industrial harmony							
Number of LLF meetings conducted by June 2011	12 LLF meetings	7 LLF meetings	11 LLF meetings	8 LLF meetings		Elections had an influence – no meetings during elections	Maintain the momentum

GOVERNANCE / PUBLIC PARTICIPATION							
Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To enhance public participation as per legislation							
Number of Imbizo's conducted by June 2011	2 Imbizo's	16 Imbizo's	4 Imbizo's	8 Imbizo's		Over achieved	Maintain the momentum
Number of Operational Phakamas conducted by June 2011	3 Operational Phakamas	1 Operational Phakamas	3 Operational Phakamas	3 Operational Phakamas		Target achieved	Maintain the momentum



– Meets or exceeds target;




– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To develop a Community Development Programme to determine community satisfaction							
Community Based Programme (CBP) implemented in phases by June 2011	Phase 1	Phase 1 completed	Phase 2 – 4 completed	Phase 2 – 3 completed		Final implementation not done due to Local Government elections	Speed-up the process

LED / ENABLING ENVIRONMENT							
Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To enable environment for growth and development							
LED strategy and plans are aligned with PGDS by June 2011	LED strategy and plans are aligned	Not yet	LED strategy and plans are aligned	LED strategy and plans are aligned		Target achieved	Maintain the momentum



– Meets or exceeds target;






– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

3 IDP PROJECTS

DIRECTORATE: Infrastructure & Utilities							
KEY PERFORMANCE AREA: Basic Service Delivery & Infrastructure Development							
Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To plan a Multi Purpose Sport & Cultural Centre to improve socio economic conditions							
Multi Purpose Sport & Cultural Centre (Phase1) planned(Architect & EIA) in Jouberton by March 2011	R5,000,000	R158,435	Planning phase R5,000,000	Planning phase R620,944		Late appointment of consultant.	To be rolled over to 11/12 financial year
OBJECTIVE: To provide main storm water drainage to ensure new infrastructure and better service delivery							
Main storm water drainage in Jouberton between Tshepong Hospital and Ext 23 constructed (Phase 2) by March 2011	R5,000,000	R3,653,170	1.4 Km constructed R5,030,900	2.4 Km constructed R4,471,668.50		Over achieved	Maintain the momentum
OBJECTIVE: To pave taxi routes and upgrade storm water drainage to ensure better accessibility							
Km of taxi routes paved and storm-water drainage system in Jouberton upgraded (Govern Mbeki, Galela Mokantle, Hlanganani, Mogale, Mogatakomo, Phunga, Mosala Msangala, Mokabi Bhotile, Kokomere Streets)(Phase 4) by December 2010	R8,500,000	R0.00	6.97 Km R13,829,699	6.97 Km R12,897,656		Target achieved	Maintain the momentum



– Meets or exceeds target;






– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To pave taxi routes and upgrade storm water drainage to ensure better accessibility							
Km of taxi routes paved and storm-water drainage system in Jouberton upgraded (Community, Hibiscus, Tilo, Buganville, Lebaleng, Lehlathi, Letsikwe, Umsenge Streets) (Phase 3b - Remaining Scope) by September 2010	R8,500,000	R8,500,000	1 Km R3,500,000	1 Km R2,367,228		Target achieved	Maintain the momentum
Km of taxi routes paved and rehabilitated and storm-water drainage system upgraded in Kanana (Lenong Road) by December 2010	New project	New project	1.55 Km paving & 1.4 Km R6,850,000	Lay works & kerbing done R1,691,534		Slow progress due to cash flow, cession approved by council for sealing of the road	Contractor busy with base correction on washed off sites, sealing of the roads to follow up
Km of taxi routes paved and storm-water drainage system upgraded in Khuma (Mkhotwana, Lebata, Koppies, Mohokare Streets (all ward 6) Impala, Mokaba, Longiwe, Baile, Kutlwano Streets (all ward 7) (Phase 4) by March 2011	R5,000,000	R2,992,658	3.675 Km R8,387,915	2.1 Km R3,963,261		In climate weather distracted the progress of the contractor and cashflow problems encountered by the contractor	Correct or assist in the appointment of capable contractors



– Meets or exceeds target;



– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To pave taxi routes and upgrade storm water drainage to ensure better accessibility							
Km of taxi routes paved and storm-water drainage system upgraded in Kanana (Phase 4) by March 2011	R6,000,000	R6,683,912	3,431 Km R8,472,290	Lay works & kerbing done R1,162,126		Non performance by the contractor, on notice to implement the project with due diligence - Contract terminated	New contractor appointed
Km of taxi routes paved and storm-water drainage system upgraded in Alabama (Challien, Brink, Eerste & Atlantis Street) by March 2011	New project	New project	3,672 Km R7,359,095	3,672 Km R4,141,353		Slow progress of the contractor due to cashflow problems and abnormal rainfall	Contractor to speed up production rate, a notice for termination has been issued
Km of taxi routes paved and storm-water drainage system upgraded in Tigane (Phase 4) by March 2011	R7,395,800	R8,576,472	3,778 Km R8,353,228	2.3 Km R4,166,272		Cashflow problems encountered by the contractor	Correct or assist in the appointment of capable contractors
OBJECTIVE: To reseal roads resealed							
Km of roads in the KOSH upgraded by March 2011 (Benji Olifant - 1,919km; Williams Road - 3,430km; Smit Street - 2.8km; Dahlia Street - 0.6km; Monica Street - 2.801km; Jabulanie Street - 2,764km; Ndlangano Street - 0.6km) by June 2011	R4,500,000	R4,500,000	15 Km R12,500,000	15 Km R8,384,388		Target achieved	Maintain the momentum



– Meets or exceeds target;








– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To upgrade Mercury road & N12 intersection to maintain the existing road infrastructure							
Mercury Road & N12 Intersection upgraded by March 2011	New project	New project	Intersection upgraded R4,000,000	None R354,559.00		Re-tendered the project	Awaiting finalization of appointment through supply chain management
OBJECTIVE: To construct a pedestrian bridge over N12 to promote public safety							
Pedestrian bridge over the N12 between Alabama and Jouberton constructed by June 2011	R2,512,820	R23,860	Pedestrian bridge completed R8,500,000	None R0.00		Awaited SANRAL approval till December 2010 - Awaiting appointment of contractor	Project to be implemented during 2011/12 financial year
OBJECTIVE: To construct roads to maintain current infrastructure and access to the community							
Km of roads constructed in Jouberton (Mohlakoane, Phusuhudu, Mothabe, Morubisi, Molotsi, Motsoenyane, Daffodil, Phenyeke, Molaung, Thandanani Streets) by March 2011	R22,584,860	R0.00	As per programme R9,050,255	As per programme R5,012,643		Target achieved with a saving	Maintain the momentum
OBJECTIVE: To develop an Integrated Transport plan to improve public transportation							
An Integrated Transport Plan developed by June 2011	New project	New project	Integrated Transport Plan developed R700,000	None R0.00		Tender resolution cancelled – Re-committed to Alabama Bridge	Annual update of the Matlosana Local Integrated Transport Plan (LITP) completed
OBJECTIVE: To provide shelters for the existing main taxi rank to enhance social economic development							
Shelters for the existing main taxi rank in Klerksdorp provided by June 2011	R2,590,290	R2,563,829	Shelters provided R500,000	None R0.00		Project cannot be completed with the available budget	To be recommitted to the Alabama Bridge due to shortfall



– Meets or exceeds target;










– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To upgrade the existing taxi rank in Orkney CBD to ensure an improved transport system / accessibility for commuters							
Existing taxi rank in the Orkney CBD upgraded by June 2011	New project	New project	Existing taxi rank upgraded R800,000	None R0.00		Project cannot be completed with the available budget	To be recommitted to the Alabama Bridge due to shortfall
OBJECTIVE: To construct taxi routes and install storm-water drainage to improve service delivery							
Km of taxi routes constructed and storm-water drainage installed in Jouberton by June 2011	New project	New project	1 Km R4,300,870	None R0.00		Money allocated on adjustment budget - Contractor appointed and site handed over to contractor	To be rolled over to 11/12 financial year
Km of taxi routes constructed and storm-water drainage installed in Kanana by June 2011	R5,000,000	R2,878,330	3,072 Km R428,680	None R0.00		Money allocated on adjustment budget - Contractor appointed and site handed over to contractor	To be rolled over to 11/12 financial year
Km of taxi routes constructed and storm-water drainage installed in Khuma (Phase 2) by June 2011	R5,000,000	R2,992,658	As per programme R2,007,342	R0.00		To be recommitted	Project completed 09/10. Saving on the project
OBJECTIVE: To construct roads to maintain current infrastructure and access to the community							
Mokatsie Street constructed by June 2011	New project	New project	As per programme R346,565	R0.00		To be recommitted	Project completed 09/10. Saving on the project
Roads in Alabama Ext 3 constructed by June 2011	New project	New project	As per programme R161,00	R0.00		To be recommitted	To be rolled over to 11/12 financial year
OBJECTIVE: To increase the WWTP in Hartbeesfontein (Phase 2) to ensure the effluent standards meet the requirements							
Holding capacity at the Hartbeesfontein WWTP (Phase 1) increased by March 2011	R8,030,900	R0.00	From 4Mℓ /day R5,722,000	Not yet R1,753,046		Still busy with the adjudication process	Speed up the SCM process



– Meets or exceeds target;








– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To develop a Health & Hygiene Awareness Programme for KOSH to ensure a safe and healthy environment for the community							
Health & Hygiene Awareness Programme for KOSH by December 2010	New project	New project	Programme developed R2,500,000	None R0,00		Project not funded	To be taken off the SDBIP
OBJECTIVE: To upgrade the sewer pump line in Khuma (Phase2) to maintain the existing infrastructure							
Km sewer pump line in Khuma (Phase 2) upgraded by December 2010	3,0 km R3,600,000	3,0 km R3,236,328	3,1km R3,000,000	2,9 km R2,866,859		Project completed	Existing services responsibility of Midvaal Water and Mines
OBJECTIVE: To maintain the existing infrastructure							
Orkney WWTP: km of 600mm Outfall Line (phase 4) between Leeudoringstad road & WWTP upgraded by December 2010	New project	New project	1,2km R7,100,000	1,2km R3,855,399		Target achieved with a saving	Maintain the momentum
OBJECTIVE: To upgrade the Orkney WWTP (Phase 4) to maintain the existing infrastructure							
Orkney WWTP: Additional Work as per program upgraded (maintenance) (Phase 5) by December 2010	New project	New project	Additional Work R2,899,100	Additional Work R1,901,100		Target achieved	Maintain the momentum
OBJECTIVE: To increase the WWTP in Hartbeesfontein (Phase 2) to ensure the effluent standards meet the requirements							
Number of sewer network connections installed in Hartbeesfontein WWTP (Phase 2) by March 2011	New project	New project	170 Connections R2,000,000	170 Connections R2,943,176		Target achieved with funding from District Municipality	Maintain the momentum



– Meets or exceeds target;









– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken to Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To eradicate the bucket system to eliminate backlogs							
Bucket system eradicated by March 2011	R4,124,190	R2,428,655	530 toilets R1,718,484	524 toilets R1,706,784		More funding required. Project 95% completed	Re-apply from MIG
OBJECTIVE: To supply bulk water to ensure a basic water service							
Meters of bulk water line for Alabama (Phase 3) supplied by September 2010	R3,071,000	R3,674,866	± 1,850m R4,000,000	± 1,850m R3,063,121		Target achieved with money from adjustment budget	Maintain the momentum
Bulk water supplied with pressure tower / pump station (phase 1) to Khuma by March 2011	R3,322,410	R3,322,410	± 10.8m R2,267,208	2.5 Km R1,402,097		Late appointment of contractor. Construction stage at 50%	To be rolled over to 11/12 financial year
OBJECTIVE: To supply bulk water infrastructure to improve the current infrastructure							
Bulk water supplied with pressure tower / pump station in the Khuma areas (Phase 2) by June 2011	New project	New project	± 10.8m R6,989,031	2.5 Km R3,842,660		Late appointment of contractor. Construction stage at 50%	To be rolled over to 11/12 financial year
OBJECTIVE: To relieve drought in rural settlements by improving service delivery in rural settlements							
Drought relieved (stand pipes, elevated tanks and boreholes) in rural settlements implemented by March 2011	R1,500,000	R1,223,536	As per programme R608,600	As per programme R384,266.35		Drought relieved implemented. Awaiting for revised / final payment certificate	Obtain final payment certificate
OBJECTIVE: To supply bulk water to ensure a basic water service							
Km of water supply from MIDVAAL reservoir to Dawkinsville reservoir and the installing bulk line services at Goudkoppie (N12 East areas) by June 2011	R11,500,000	R0.00	±4.5km R4,500,000	0.8 Km R315,000		Late appointment of contractor.	To be rolled over to 11/12 financial year



– Meets or exceeds target;



– Currently does not meet target;



– Project on hold;

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Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To install high mast lights to ensure a safer environment							
Number of high mast lights in Khuma installed by June 2011 (ward 4 - 6 lights; ward 5 - 2 lights; ward 6 - 5 lights & ward 7 - 13 lights) by June 2011	30 High mast lights R3,000,000	30 High mast lights R2,127,588	26 High mast lights R5,000,000	26 High mast lights R4,349,331	👍	Target achieved, but awaiting Eskom quote for lights (to be energized)	Quote to be received in July 2011. Roll-over requested
Number of high mast lights in Kanana installed (ward 24 - 7 lights; ward 25 - 4 lights; ward 26 - 4 lights; ward 27 - 3 lights; ward 28 - 4 lights & ward 29 - 4 lights) by June 2011	30 High mast lights R3,000,000	30 High mast lights R2,046,341	26 High mast lights R5,000,000	26 High mast lights R4,374,596	👍	Target achieved, but awaiting Eskom quote for lights (to be energized)	Quote to be received in July 2011. Roll-over requested
OBJECTIVE: To upgrade the 11Kv Distribution Network to meet electricity demands							
Number of 11Kv distribution networks upgraded by March 2011	R3,500,000	R3,396,484	9 Networks R3,500,000	Not yet R3,305,750	👍	Delay in re-advertising last items	Project in progress, nearly completed. Roll-over requested
OBJECTIVE: To supply electricity to meet electricity demands							
Electrical supply to main substations increased by June 2011	Doringkruin (20 Mva) & Uramiaville (10 Mva) R35,269,878	None R149,720	Doringkruin (20 Mva) & Uramiaville (10 Mva) R35,269,880	Not yet R0.00	👍	Delay in finalizing supply agreement	Finalize payment to Eskom
OBJECTIVE: To do housing electrification to improve electricity backlogs							
Number of houses in Kanana Ext 14 electrified by June 2011	New project	New project	300 Houses R3,493,561	Not yet R0.00	👍	Project deferred. Eskom experienced problems in obtaining the material	To be rolled over to 11/12 financial year
Number of houses in Jouberton Ext 24 electrified by June '11	R6,800,000	R3,306,439	368 Houses R3,493,561	368 Houses R3,493,561	👍	Target achieved	Maintain the momentum



– Meets or exceeds target;







– Currently does not meet target;



– Project on hold;

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DIRECTORATE: Municipal & Social Services							
KEY PERFORMANCE AREA: Basic Service Delivery & Infrastructure Development							
Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To build & equip an Environmental Education Centre - Faan Meintjes to ensure capacity building in the community							
m ² Environmental educational centre at Faan Meintjes Nature Reserve (additional funding) built and equipped by February 2011	R1,254,950	R1,253,425	800m ² building and 200m ² open areas e.g. walkways, stop and parking area built R7,081,828	Project 80% completed R4,134,847		Contractor encounter cash flow problems	To be rolled over to 11/12 financial year
OBJECTIVE: To build a library in Khuma to improve service and quality of life							
m ² Community library in Khuma Ext 8 built by June 2011	681,39m ² Library built R4,000,000	None R0.00	681,39m ² Library built R4,000,000	Not yet R0.00		Construction work started in February 2011. The soil formation did not comply with set standards for the approved construction method. Trenches had to be dug deeper and compacted, causing a delay.	Project run by province. To be rolled over to 11/12 financial year
OBJECTIVE: To build library in Tigane to improve service and quality of life							
m ² Library in Tigane Extension 3 built by June 2011	798,779m ² Library built R5,985,710	Not yet R1,165,121	798,779m ² Library built R4,497,890	Project 80% completed R3,553,024		Additional air conditioners to be installed. Delays caused by contractor when he had to complete snag list.	Project run by province. To be rolled over to 11/12 financial year
Landscaping completed at library in Tigane Extension 3 by December 2010	New project	New project	Landscaping completed R322,699	Landscaping completed R296,525		Target achieved	Maintain the momentum



– Meets or exceeds target;







– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To upgrade the Hartbeesfontein / Tigane Fire Station to ensure better service delivery							
Hartbeesfontein / Tigane Fire Station in Hartbeesfontein upgraded by March 2011	New project	New project	Fire Station upgraded R500,000	Fire Station upgraded R244,910		Purchasing of generator not finalized. Had to re-advertize	Generators will be purchased as soon as possible
OBJECTIVE: To ensure properly maintained equipment							
Number of fire hydrants in the KOSH area refurbished by March 2011	New project	New project	32 Fire hydrants refurbished R500,000	Not yet R0.00		Suppliers could not be obtained	Water section currently busy with project. To be rolled over to 11/12 financial year
OBJECTIVE: To fight fire effectively							
Heavy duty HAZMAT Command Unit purchased by December 2010	Heavy Duty HAZMAT Command Unit purchased R3,500,000	Heavy Duty HAZMAT Command Unit purchased R3,069,111	Heavy Duty HAZMAT Command Unit purchased R2,686,000	Heavy Duty HAZMAT Command Unit purchased R2,580,312		Target achieved	Maintain the momentum
DIRECTORATE: Corporate Governance							
KEY PERFORMANCE AREA: Basic Service Delivery & Infrastructure Development							
OBJECTIVE: To automate documents and enhance e-governance							
Document Management System (DMS) purchased by September 2010	R67,380	R0.00	DMS purchased R67,380	DMS purchased R64,204		Target achieved	Maintain the momentum



– Meets or exceeds target;





– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

DIRECTORATE: Economic Growth						
KEY PERFORMANCE AREA: Local Economic Development						
Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance		
OBJECTIVE: To create sustainable SMME's						
Number of hawkers shelters built in Klerksdorp for entrepreneurs (Phase 2) by December 2010	Shelters built R2,000,000	Shelters built R710,005	10 Shelters R1,000,000	None R0.00		Project to be moved to 2011/12 financial year
OBJECTIVE: To develop and improve the existing infrastructure						
R value spent on N12 West developed Developing the N12 by January 2011	R1,000,000	None R0.00	As per programme R1,000,000	None R0.00		Project to be moved to 2011/12 financial year



– Meets or exceeds target;








– Currently does not meet target;



– Project on hold;

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4. CAPITAL PROJECTS

DIRECTORATE: Infrastructure & Utilities						
KEY PERFORMANCE AREA: Basic Service Delivery & Infrastructure Development						
Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance		
OBJECTIVE: To rehabilitate old landfill sites to ensure a safer environment						
Old landfill sites rehabilitated (investigations by professional service providers) by June 2011	New project	New project	Stilfontein, Klerksdorp and Orkney Landfill sites rehabilitated R1,500,000	None R0.00		Professional service provider conducted feasibility studies - Possible roll over
OBJECTIVE: To erect speed humps to minimize speed						
Number of speed humps in the KOSH area erected by December 2010	New project	New project	200 Speed humps R500,000	194 Speed humps R373,171		Requests met. No more requests received
OBJECTIVE: To pave intersections to ensure improved road surface						
m² of intersections paved in the KOSH area by June 2011	New project	New project	13,114m² Intersections R1,000,000	13,114m² Intersections R835,388		Target achieved with a saving
OBJECTIVE: To purchase construction plant & machinery to ensure improved service delivery						
Construction plant & machinery purchased by June 2011	New project	New project	6 x 2½ tons flat bed trucks and 3m³ tipper trucks R4,000,000	6 x 2½ tons flat bed trucks and 3m³ tipper trucks R3,856,976		Target achieved with a saving
OBJECTIVE: To implement a pavement management system to maintain existing infrastructure						
Pavement management system (phase 1) developed the December 2010	New project	New project	System developed R500,000	System developed R492,888		Target achieved with a saving



– Meets or exceeds target;



– Currently does not meet target;



– Project on hold;

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Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To install sewer flow water meter to ensure effective readings							
Number of sewer flow water meters installed by December 2010	New project	New project	6 Sewer flow water meters R400,000	Tendering process R0.00		Bidders did not comply. Re-advertised	Roll-over requested
OBJECTIVE: To purchase sewer line investigative security camera to ensure a safer environment							
Sewer line investigative mobile CCTV camera purchased by December 2010	New project	New project	1 CCTV camera R200,000	Not yet R0.00		Price validity period elapsed, Re-advertised	Roll-over requested
OBJECTIVE: To replace the mechanical rake to better service delivery							
Mechanical rake (Leratong) replaced by March 2011	New project	New project	1 Rake R350,000	Tendering process R0.00		Bidders did not comply. Re-advertised	Roll-over requested
OBJECTIVE: To upgrade the mechanical and electrical equipment & pumpstations (Phase1) to maintain the existing infrastructure							
Mechanical and electrical equipment and pumpstations (phase 1) upgraded by May 2011	R8,000,000 R8,414,660 – Roll over	R3,634,454 R8,677,358 – Roll over	As per programme R975,650	None R0.00		Re-advertise	Project to be moved to 2011/12 financial year. Roll-over requested
OBJECTIVE: To purchase sewer unblocking equipment to ensure better service delivery							
Number of aerator gearboxes at the Klerksdorp WWTP replaced by March 2011	R153,830 → R0.00 (Adjustment Budget)	None R0.00	3 Aerator gearboxes R153,830	3 Aerator gearboxes R135,964		Target achieved	Maintain the momentum
OBJECTIVE: To install services to ensure sustainable water supply							
Bulk services installed at Orkney Vaal as per program by June 2011	R4,876,322	None R0.00	As per programme R4,876,322	As per programme R 4,558,007		Target achieved	Maintain the momentum



– Meets or exceeds target;








– Currently does not meet target;



– Project on hold;

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Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To purchase security equipment (camera) to ensure a safer environment							
Number of equipment (CCTV cameras) purchased for Stilfontein & Orkney (4 per depot by March 2011	New project	New project	8 CCTV cameras R50,000	8 CCTV cameras R50,000		Target achieved	Maintain the momentum
OBJECTIVE: To replace water meters to ensure accurate meter reading							
Number of water meters replaced as per program in the KOSH area by June 2011	660 water meters R1,000,000	New project	660 water meters R1,000,000	660 Meters replaced R984,340		Target achieved	Maintain the momentum
OBJECTIVE: To refurbish valves to ensure effective and continuous water flow							
Number of valves refurbished in the KOSH area as per program by June 2011	New project	None R0.00	40 Valves R1,500,000	28 Valves R381,553		Refurbishment 70%. Slow progress of contractor.	Contractor to speed up the process. Possible roll-over
OBJECTIVE: To refurbish the water network to increase water pressure							
Km of water network replaced of water network in the KOSH area by June 2011	New project	New project	3.5 Km R3,000,000	1.5 Km R1,285,875		Refurbishment 40%. Awaiting for other payment to be submitted	Contractor instructed to increase progress
OBJECTIVE: To purchase 4" water pumps to improve service delivery							
Number of 4" water pumps purchased by December 2010	New project	New project	Two x 4" water pumps R600,000	Not yet R237,730		1 Pump already procured - awaiting adjudication of other pump	Speed up the process. Possible roll-over



– Meets or exceeds target;









– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To implement a Water Pressure Management system to improve service delivery							
Water management pressure system implemented (alignment of master plan & WSDP) Implementing a water by June 2011	New project	New project	System implemented R500,000	In progress R0.00		Obtaining master plan from CSV	Roll-over requested
OBJECTIVE: To install telemetry to better service delivery							
Telemetry system interlinked installed at Khuma Ext 9 water pump by June 2011	New project	New project	System installed R300,000	Not yet R0.00		Project will only be completed once pressure tower is completed	Roll-over requested
Telemetry system interlinked at Khuma Ext 9 water pump by March 2011	R193,240	R103,660	System interlinked R89,580	R51,713		In progress, awaiting for the electrical department to install the new soft starter	Roll-over requested
OBJECTIVE: To purchase equipment to maintain the water infrastructure							
Water related office equipment purchased by September 2010	Office equipment purchased R4,610,000	Project 50% completed R1,804,318	Office equipment purchased R2,805,682	Project 90% completed R1,392,324		Delivery stages	Roll-over requested
OBJECTIVE: To replace water meters to ensure accurate meter reading							
Rand value of water meters / valves (tools) replaced in the KOSH area by June 2011	Water meters replaced R4,500,000	Water meters replaced R1,926,742	Minimum of 1,500 water meters / valves R3,063,121	6,000 water meters / valves replaced R2,856,380		Target achieved	Maintain the momentum, Roll-over requested
OBJECTIVE: To purchase a 4" Water Pump to improve service delivery							
Water pump purchased by September 2010	1 x 4" water pump R250,000	1 x 4" water pump purchased R248,000	1 x 4" water pump R199,534	1 x 4" water pump R199,534		Target achieved	Maintain the momentum



– Meets or exceeds target;



– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To upgrade a worn-out water-network in CBD (Phase 1) to maintain the current infrastructure							
Worn-out water-network in the CBD (Phase 1) upgraded by March 2011	R 4,745,170	R1,477,347	As per programme R3,082,791	R1,393,561	👍	Slow progress & poor workmanship by contractor. Contract terminated	Roll-over requested
OBJECTIVE: To refurbish a zink tank in Tigane to improve service delivery							
Zink tank refurbished in Tigane by June 2011	New project	New project	1 Zink tank R500,000	Not yet R0.00	👍	Money only become available during March 2011	Roll-over requested
OBJECTIVE: To maintain electrical infrastructure							
Air compressor for the Garage in Orkney replaced by December 2010	New project	New project	18 KW air compressor R100,000	18 KW air compressor replaced R95,800	👍	Target achieved	Maintain the momentum
OBJECTIVE: To upgrade overhead LV Lines to reduce electrical failures							
Meter of LV overhead lines in Ian Street upgraded by March 2011	LV lines in New Town & Orkney R1,000,000	LV lines in New Town & Orkney R967,329	1,300m LV overhead lines R200,000	1,300m LV overhead lines R199,209	👍	Target achieved	Maintain the momentum
OBJECTIVE: To upgrade substations to reduce electrical failures							
Number of substations in Orkney and Klerksdorp upgraded by June 2011	New project	New project	4 substations in Orkney and 5 substations in Klerksdorp R200,000	9 Substations upgraded R178,176	👍	Target achieved	Maintain the momentum
Feasibility quotation from ESKOM for West bulk substation obtained by September 2010	New project	New project	Quotation obtained R2,500,000	None R0.00	👍	Quotation amount higher than budget	Requested money from Adjustment Budget. Roll-over requested



– Meets or exceeds target;



– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To upgrade pillar boxes to reduce electrical failures							
Number of pillar boxes in Klerksdorp upgraded by June 2011	New project	New project	20 pillar boxes R200,000	20 pillar boxes upgraded R198,196	👍	Target achieved	Maintain the momentum
Number of pillar boxes in Stilfontein upgraded by June 2011	New project	New project	16 Pillar boxes R200,000	16 Pillar boxes upgraded R198,035	👍	Target achieved	Maintain the momentum
OBJECTIVE: To upgrade switchgears to ensure maintenance of the electrical infrastructure							
Number of switchgears upgraded at the Orkney sewage works by June 2011	New project	New project	8 Switchgears R910,000	Orders placed & contractor appointed R404,196	👍	Tender re-advertised	Roll-over requested
OBJECTIVE: To service 11Kv Breakers RMU's to ensure maintenance of the electrical infrastructure							
Number of 11Kv Breakers RMU's serviced and transformer oil in the KOSH area by June 2011	New project	New project	270 x 11Kv Breakers RMU's R1,500,000	270 x 11Kv Breakers RMU's serviced and transformer oil changed R1,497,881	👍	Target achieved	Maintain the momentum
OBJECTIVE: To remove switchgear to maintain the electrical infrastructure							
Number of Switchgear at Hartcourt Flats in Stilfontein replaced by March 2011	New project	New project	1 Switchgear R200,000	1 Switchgear replaced R199,956	👍	Target achieved	Maintain the momentum
OBJECTIVE: To repair electronic protection to ensure maintenance of the electrical infrastructure							
Network protection in a number of substations in the KOSH area upgraded by June 2011	New project	New project	10 Substations R1,500,000	Not yet R0.00	👍	Delay in SCM evaluations process	Tenders to be evaluated. Roll-over requested



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– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To upgrade street lights to ensure a safer environment							
Number of street lights in Orkney, as per program, upgraded by March 2011	Khuma and on the Khuma / Stilfontein Road upgraded R795,000	Khuma and on the Khuma / Stilfontein Road upgraded R337,558	200 Street lights R200,000	200 Street lights upgraded R199,670	👍	Target achieved	Maintain the momentum
OBJECTIVE: To upgrade robot clusters to ensure maintenance of the electrical infrastructure							
Number of robot clusters in the KOSH area upgraded by March 2011	New project	New project	400 Robots clusters R200,000	400 Robots clusters upgraded R175,148	👍	Target achieved	Maintain the momentum
OBJECTIVE: To electrify Jouberton Ext 24 to ensure a basic level of electricity							
Number of houses in Jouberton Ext 24 (Phase 2- top-up funds) electrified by June 2011	R6,8000,000	R3,306,439	368 Houses R2,600,000	368 Houses R2,341,115	👍	Target achieved	Maintain the momentum
OBJECTIVE: To replaced kiosks with mini-sub to ensure maintenance of the electrical infrastructure							
Number of kiosks with mini-substations replaced by December 2010	New project	New project	4 Kiosks R200,000	4 Kiosks replaced R197,314	👍	Target achieved	Maintain the momentum
OBJECTIVE: To purchase electrical equipment to ensure a safer network							
Number of substation locks purchased for Stilfontein and Orkney by December 2010	New project	New project	40 Substation locks R50,000	40 Substation locks purchased R49,148	👍	Target achieved	Maintain the momentum
Number of sheath testers purchased by December 2010	New project	New project	3 Sheath testers R100,000	3 Sheath testers purchased R97,286	👍	Target achieved	Maintain the momentum



– Meets or exceeds target;










– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To purchase electrical equipment to ensure a safer network							
Number of power testers purchased by December 2010	New project	New project	1 Power tester R250,000	1 Power tester purchased R249,000		Target achieved	Maintain the momentum
OBJECTIVE: To install substation earthings to ensure a safer environment							
Number of substation earthings installed by June 2011	New project	New project	10 Substation earthings R200,000	Not yet R129,765		Delay in supply of material	To be completed End August 2011
OBJECTIVE: To install battery chargers for substation earthings to ensure a safer environment							
Number of battery chargers installed by March 2011	New project	New project	Battery chargers in 10 substations R200,000	None R0.00		Delay in SCM evaluations process	Tenders to be evaluated. Roll-over requested
OBJECTIVE: To build a new room to ensure better service delivery							
m² New room with a m² covered stoop and m² screen wall for standby personnel at Klerksdorp electrical department built by March 2011	New project	New project	74m² New room with a 12m² covered stoop and 8m² screen wall R60,000	74m² New room with a 12m² covered stoop and 8m² screen wall built R55,575		Target achieved	Maintain the momentum
OBJECTIVE: To obtain an electricity certificate for abattoir to comply with legislation							
Installation repaired & electricity certificate issued for compliance at abattoir by April 2011	New project	New project	Electricity certificate R500,000	Not yet R0.00		No responsive tenders	Tender to be re-advertised. Roll over to 2011/12
OBJECTIVE: To purchase vehicles and plant to better service delivery							
Number of vehicles and motor cycles purchased for council by March 2011	New project	New project	30 Vehicles and 4 motor cycles R12,830,000	Not yet R10,711,280		Deliveries awaited	Roll over to 2011/12
Number of vehicles purchased for council by March 2011 – Roll over	R22,700,000	R18,488,388	4 Vehicles R4,211,612	Not yet R1,021,912		Deliveries awaited	Roll over to 2011/12



– Meets or exceeds target;








– Currently does not meet target;



– Project on hold;

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Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To upgrade the robot intersection to ensure maintenance of the electrical infrastructure							
Robot intersection at the N12, Buitekant street, Alabama upgraded by June 2011	New project	New project	Robot intersection upgraded R190,000	Robot intersection upgraded R192,000		Target achieved	Maintain the momentum
DIRECTORATE: Municipal & Social Services							
KEY PERFORMANCE AREA: Basic Service Delivery & Infrastructure Development							
OBJECTIVE: To develop new cemeteries to enhance service delivery							
New cemetery (professional studies) in Jouberton developed by June 2011	1 New cemetery (professional studies) R1,200,000	Not yet R38,646	1 New cemetery (professional studies) R305,000	Not yet R37,525		Await specialized studies outcome	Application submitted to province for final approval and go-head of project. Roll-over requested
OBJECTIVE: To maintain sports facilities to enhance community development							
Number of sports facilities refurbished in the KOSH area according to program by June 2011	New project	New project	20 sports facilities R4,000,000	20 sports facilities refurbished R3,729,573		Target achieved	Maintain the momentum
OBJECTIVE: To refurbish the swimming pool to enhance service delivery							
Klerksdorp swimming pool refurbished by June 2011	New project	New project	20m x 25m Swimming pool R2,000,000	Not yet R0.00		Received money only in 3rd quarter. In progress	Roll-over requested
OBJECTIVE: To purchase mass containers to enhance efficiency							
Number of mobile containers (240t) purchased for the KOSH area by December 2010	R190,000	R190,000	1,229 Mobile containers (240t) R400,000	1,229 Mobile containers (240t) purchased R399,022		Target achieved	Maintain the momentum



– Meets or exceeds target;



– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To purchase mass containers to enhance efficiency							
Number of mass steel containers purchased for the KOSH area by December 2010	R2,400,00	R2,400,00	19 X 12m³ Mass steel containers R500,000	Not yet R0.00	👍	Re-advertised. Awaiting meeting of Evaluation Committee	Not finalized yet. Request for roll-over
Number of 85t plastic refuse containers by June 2011	R190,000	R190,000	1,423 + 800 additional x 85t Plastic refuse containers R300,000	1,423 x 85t Plastic refuse containers purchased R19,000	👍	1,423 x 85t plastic refuse containers purchased. Additional only approved at Adjustment Budget	Not finalized yet. Request for roll-over
OBJECTIVE: To purchase a refuse compaction vehicle to enhance efficiency							
Number of 12m³ refuse compaction vehicles purchased by December 2010	R1,500,000	R1,500,000	2 Vehicles R2,400,000	2 Refuse compaction vehicles purchased R 2,216,493	👍	Target achieved	Maintain the momentum
OBJECTIVE: To install safety barriers at the off-load facilities at the transfer station to ensure safety							
Safety barrier installed at the off-load facilities at the transfer station by December 2010	New project	New project	1 Safety barrier installed R130,000	Not yet R0.00	👍	Request was not approved during Adjustment Budget	Not finalized yet. Request for roll-over
OBJECTIVE: To install bin lifter on the refuse compaction vehicle to enhance service delivery							
Number of bin lifter installed on the refuse compaction vehicle by December 2010	1 Bin lifter R160,000	Not yet R0.00	1 Bin lifter R160,000	Not yet R0.00	👍	Request was not approved during Adjustment Budget	Not finalized yet. Request for roll-over
OBJECTIVE: To purchase a refuse compaction truck to enhance efficiency							
Refuse compaction truck purchased by December 2010	New project	New project	1 Refuse compaction truck R1,500,000	1 Refuse compaction truck purchased R1,467,650	👍	Target achieved	Maintain the momentum



– Meets or exceeds target;









– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To build library to improve service and quality of life							
Library in Tigane (additional funding) furnished by June 2011	R5,000,000 R985,710	R502,110 R663,011	Tigane library R2,015,000	Not yet R540,010		Final snag list inspection only completed on 13 July 2011. Some purchases still need to be finalized by SCM.	Purchased finalized. Request for roll-over
OBJECTIVE: To produce an exhibition centre to enhance service delivery							
An exhibition centre at the museum (Phase 2) produced by December 2010	New project	New project	An exhibition centre R1,010,000	Exhibition completed R 756,912		Target achieved	Maintain the momentum
OBJECTIVE: To upgrade the museum to enhance service delivery							
Museum terrain upgraded with storm-water drainage and rubble removed as per program and moving of at rubble by March 2011	R160,000	R123,054	Museum terrain upgraded R168,000	Museum terrain upgraded R 167, 184		Target achieved	Maintain the momentum
OBJECTIVE: To build an exhibition centre to enhance service delivery							
m² Exhibition centre and m² reception area built at the museum for the City of People by September 2010	An exhibition centre R1,000,000	Exhibition (phase 1) completed R439,204	55m² Exhibition centre and 32m² reception area R439,204	55m² Exhibition centre and 32m² reception area built R439,036		Target achieved	Maintain the momentum
OBJECTIVE: To upgrade the irrigation system to ensure maintained infrastructure							
Irrigation system of the museum terrain upgraded by March 2011	New project	New project	Irrigation system R80,000	Irrigation system upgraded R80,000		Target achieved	Maintain the momentum
OBJECTIVE: To build fire safety offices to enhance efficiency							
Number of new fire safety offices build by March 2011	New project	New project	3 Fire safety offices R100,000	3 New fire safety offices built R98,486		Target achieved	Maintain the momentum



– Meets or exceeds target;









– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To refurbish the testing station office to enhance efficiency							
Klerksdorp testing station office refurbished as per program by December 2010	New project	New project	Klerksdorp testing station office R140,000	Klerksdorp testing station office refurbished R129,572		Target achieved	Maintain the momentum
OBJECTIVE: To modify the taxi terminus offices & stores to enhance efficiency							
Taxi terminus office & store in Hartbeesfontein modified as per program by December 2010	New project	New project	Taxi terminus office & store R120,000	Taxi terminus office & store modified R104,515		Target achieved	Maintain the momentum
OBJECTIVE: To build cashier cubicles to enhance efficiency							
Number of cashier cubicles in Orkney & Hartbeesfontein built by March 2011	New project	New project	2 Cashier cubicles in Orkney & 2 cashier cubicles in Hartbeesfontein R185,000	2 Cashier cubicles in Orkney & 2 cashier cubicles in Hartbeesfontein built R89,887		Target achieved	Maintain the momentum
OBJECTIVE: To lift the cashier cubicles to enhance efficiency							
Number of cashier cubicles in Orkney & Klerksdorp lifted by December 2010	New project	New project	3 cashier cubicles in Orkney & 11 cashier cubicles Klerksdorp R105,000	3 cashier cubicles in Orkney & 11 cashier cubicles Klerksdorp built R105,000		Target achieved	Maintain the momentum
OBJECTIVE: To fence the driving grounds to enhance safety of the premises							
Number of m fenced at the Hartbeesfontein driving grounds by March 2011	Klerksdorp driver's licensing offices R120,000	Klerksdorp driver's licensing offices R110,462	145m Fencing R100,000	145m Fencing R99,749		Target achieved	Maintain the momentum
OBJECTIVE: To do renovations and additions to driver's section to better service delivery							
Driver's section in Klerksdorp renovated and additions done as per program by December 2010	R1,690,000	R968,564	Renovated and additions done R205,993	Renovated and additions done R181,243		Target achieved	Maintain the momentum



– Meets or exceeds target;



– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To refurbish Licensing offices equipment to enhance efficiency							
Hartbeesfontein licensing offices equipment refurbished as per program by December 2010	New project	New project	Equipment refurbished R21,908	Licensing offices equipment refurbished R20,623	👍	Target achieved	Maintain the momentum
OBJECTIVE: To ensure improved assessability for the community							
m² New municipal court extension built by June 2011	New project	New project	32m² New municipal court extension R230,000	32m² Municipal court extended R211,615	👍	Target achieved	Maintain the momentum
OBJECTIVE: To purchase alcohol testers to enhance safety on the roads							
Number of alcohol testers, bullet proof vests, re-chargeable torches and radio's purchased by December 2010	New project	New project	39 Alcohol testers, 18 bullet proof vests, 88 rechargeable torches and 21 radio's R480,000	39 Alcohol testers, 18 bullet proof vests, 88 rechargeable torches and 21 radio's purchased R478,961	👍	Target achieved	Maintain the momentum
OBJECTIVE: To build new extensions to ensure improved assessability for the community							
R value of current public safety offices extended by June 2011	New project	New project	Public safety offices extended R160,000	Tiles, windows, doors, & ceilings finalized R108,764	👍	Target achieved	Maintain the momentum
OBJECTIVE: To integrate the security monitoring system with central control centre to enhance efficiency							
Security monitoring system integrated with the central control centre at the Klerksdorp Fire Station by June 2011	New project	New project	Security monitoring system integrated R500,000	Not yet R0.00	👍	Advertized twice, insufficient suppliers tendered	Roll-over requested
OBJECTIVE: To purchase security office equipment to enhance efficiency							
Security office equipment purchased as per program by March 2011	New project	New project	Security office equipment R41,120	Security office equipment R17,184	👍	Target achieved	Maintain the momentum



– Meets or exceeds target;









– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

DIRECTORATE: Financial Services							
KEY PERFORMANCE AREA: Basic Service Delivery & Infrastructure Development							
Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To purchase and install a pre-paid management server to enhance service delivery							
Pre-paid management server purchased and installed by March 2011	New project	New project	1 Pre-paid management server R110,000	1 Pre-paid management server purchased and installed R85,033		Target achieved	Maintain the momentum
OBJECTIVE: To automate documents and enhance e-governance							
Computer replacement programme installed by December 2010	New project	New project	Computer replacement programme R1,250,000	Computer replacement programme R411,202		Target achieved	Maintain the momentum
Microsoft enterprise licensing agreement concluded by December 2010	New project	New project	Microsoft enterprise licensing agreement R3,328,000	Microsoft enterprise licensing agreement concluded R2,827,855		Target achieved	Maintain the momentum
Anti-Virus programme purchased by December 2010	New project	New project	Anti-Virus programme R96,000	Not yet R0.00		Re-advertised. Awaiting meeting of Evaluation Committee	Not finalized yet. Request for roll-over
Server arms and racks purchased for the server room by December 2010	New project	New project	1 Server arms and rack R120,000	Not yet R0.00		Awaiting Advertisement of Tender	Request for roll-over
DIRECTORATE: Corporate Governance							
KEY PERFORMANCE AREA: Basic Service Delivery & Infrastructure Development							
OBJECTIVE: To comply with legislation							
Number of zippie cabinets purchased for Records by June 2011	New project	New project	2 Zippie cabinets purchased R150,000	2 Zippie cabinets purchased & installed R150,000		Target achieved	Maintain the momentum



– Meets or exceeds target;



– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To enhance safety of the premises							
Meter of the Manzilpark offices fenced with palisades by June 2011	New project	New project	343.8m Palisade fencing R200,000	343.8m Palisade fencing erected R160,980	👍	Target achieved	Maintain the momentum
OBJECTIVE: To improve service delivery							
Old switchboard in Kanana replaced with a Mitel system by September 2010	Old switchboard replaced R700,000	Mitel system installed (phase 1) R 699,457	Mitel system installed R140,000	Mitel system installed R139,838	👍	Target achieved	Maintain the momentum
OBJECTIVE: To maintain the existing infrastructure of Council							
Jouberton Offices renovated per programme by June 2011	New project	New project	Jouberton office renovated R828,515.25	Jouberton offices renovated R792,523	👍	Target achieved	Maintain the momentum
Kanana offices renovated per programme by June 2011	New project	New project	Kanana office renovated R357,996.20	Kanana offices renovated R357,996	👍	Target achieved	Maintain the momentum
Stilfontein offices renovated per programme by June 2011	New project	New project	Stilfontein office renovated R1,044,191	Stilfontein offices renovated R999,191	👍	Target achieved	Maintain the momentum
Offices at Eastleigh renovated per programme by June 2011	New project	New project	Eastleigh office renovated R40,810	Eastleigh offices renovated R12,310	👍	Target achieved	Maintain the momentum
OBJECTIVE: To renovate the Manzilpark community hall to ensure a better service delivery							
Manzilpark Community Hall renovated per programme by June 2011	Jouberton, Kanana, Khuma & Tigane community halls R2,737,260	Jouberton, Kanana, Khuma & Tigane community halls R1,054,150	Manzilpark Community Hall renovated R1,000,000	Manzilpark hall renovated R852,070	👍	Target achieved	Maintain the momentum



– Meets or exceeds target;







– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To install security gates to control people movement							
Security gates installed at Kock Street (Parking in front of banquet hall) by March 2011	New project	New project	Security gates installed R320,000	Security gates installed R121,500		Target achieved	Maintain the momentum
OBJECTIVE: To install a clock card system to ensure effective personnel control							
Clock Card System (equipment) installed for the whole municipality for the civic centre by March 2011	New project	New project	Clock Card System installed R1,500,000	Not yet R0.00		Tender to be re-advertised, as specs have been revised	Request for roll-over
OBJECTIVE: To erect Freedom Square to conserve indigenous history							
A Freedom Square constructed and erected in Alabama by June 2011	1 Freedom Square constructed R500,000	Not yet R30,582	1 Freedom Square constructed R469,418	Not yet R121,273		Contractor appointed late. In progress	Request for roll-over
OBJECTIVE: To upgrade the Council Chamber to upkeep Council's aging infrastructure							
Council Chamber upgraded by March 2011	New project	New project	Council Chamber upgraded R250,000	Council Chamber upgraded R246,581		Target achieved	Maintain the momentum



– Meets or exceeds target;







– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

DIRECTORATE: Economic Growth						
KEY PERFORMANCE AREA: Local Economic Development						
OBJECTIVE: To promote social development						
Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance		
OBJECTIVE: To promote social development						
Car wash established in Khuma Ext 1 by June 2011	New project	New project	3 Bay car wash R500,000	Not yet R0.00		Tender process to appoint a contractor in process to be completed at the end of June 2011 Construction to start in July 2011. Request for roll-over
Entrepreneurial support centre (incubation) built in Orkney at PPC by March 2011	New project	New project	Entrepreneurial support centre (incubation) built R300,000	Not yet R0.00		Public works delayed to submit lease agreement requested. Lease agreement to be finalized. Roll over requested.
OBJECTIVE: To ensure effective service to tourists						
Number of info and tourism offices at Goudkoppie (buildings) constructed by June 2011	New project	New project	5 Information and tourism offices R840,000	Not yet R0.00		Terminated during budget adjustment Request for roll-over
OBJECTIVE: To ensure effective service to tourists						
m² Of paving constructed at Goudkoppie by June 2011	New project	New project	1,500m² paving R79,000	Not yet R0.00		Terminated during budget adjustment Need to apply for adjustment budget and / phase planning



– Meets or exceeds target;



– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To upgrade the Freshmark System to ensure improved service delivery							
Freshmark System (till system) upgraded by March 2011	New project	New project	Freshmark System (till system) upgraded R100,000	Not yet R0.00	👍	Tender re-advertized	Request for roll-over
OBJECTIVE: To improve service delivery							
Number of counting machines purchased by September 2010	New project	New project	8 Counting machines R200,000	8 Counting machines purchased R200,000	👍	Target achieved	Maintain the momentum
OBJECTIVE: To renovate the market hall to ensure the maintenance of the current infrastructure							
Replacement of the market hall entrance and exit doors by December 2010	New project	New project	Market hall entrance and 2 exit doors replaced R140,000	Market hall entrance and 2 exit doors replaced R140,000	👍	Target achieved	Maintain the momentum
OBJECTIVE: To renovate the market hall to ensure the maintenance of the current infrastructure							
R value spent on renovations and additions of the market hall as per programme by March 2011	Market hall painted R100,000	Market hall painted R84,900	Market hall & additions renovated R110,000	Market hall & additions renovated R106,407	👍	Target achieved	Maintain the momentum
OBJECTIVE: To ensure efficient service delivery to producers							
Number of evaporator towers replaced by December 2010	4 Evaporator Towers replaced R296,400	4 Evaporator Towers replaced R195,302	2 Evaporator towers R170,000	2 Evaporator towers replaced R166,667	👍	Target achieved	Maintain the momentum



– Meets or exceeds target;



– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

5. OPERATIONAL

DIRECTORATE: Office of the Municipal Manager						
KEY PERFORMANCE AREA: Municipal Institutional Development and Transformation						
OBJECTIVE: To approve the SDBIP to ensure compliance with legislation (28 days after approval of budget)						
Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance		
OBJECTIVE: To revise the PMS Framework to comply with legislation						
Revised PMS Framework to be approved by Council by June 2011	None	None	Framework revised	Framework revised (CC 35/2011 dated 29 April 2011)		Maintain the momentum
OBJECTIVE: To approve the Annual Performance Report to comply with section 46 of the MSA						
2009/10 Annual Performance Report approved by Municipal Manager by August 2010	2008/09 Annual Performance Report approved	2008/09 Annual Performance Report approved	2009/10 Annual Performance Report approved	2009/10 Annual Performance Report approved by EM 27/2011 on 17 May 2011		Maintain the momentum
OBJECTIVE: To approve the Mid-Year Assessment Report to comply with section 72 of the MFMA						
2010/11 Mid-Year Assessment Report approved by the Executive Mayor by 25 January 2011	2009/10 Mid-Year Assessment Report approved	2009/10 Mid-Year Assessment Report approved	2010/11 Mid-Year Assessment Report approved	2010/11 Mid-Year Assessment Report approved (CC 7/2011 dated 31 January 2011)		Maintain the momentum
OBJECTIVE: To hold Audit Committee Meetings to ensure good governance						
Number Audit Committee/ PAC meetings held to ensure an effective discharging of responsibilities by June 2011	4 Meetings	3 Meetings	4 Meetings	2 Meetings		Appointment of additional audit committee member. Conducting induction to clear Terms of Reference



– Meets or exceeds target;










– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To report outstanding disclaimer and qualifications to ensure sound financial management							
Number follow-up audits reports to review resolutions on outstanding disclaimer and qualifications on the Auditor General's report by June 2011	4 Reports	0 Report	4 Reports	1 Report		Follow-up audits could not be done due to staff shortage	To be done in the new financial year
OBJECTIVE: To report outstanding disclaimer and qualifications to ensure sound financial management							
3-Year Risk Based Audit Plan 2010/13 submitted to the Audit Committee by December 2010	New project	New project	Approved Plan	Not yet		Busy with risk assessment process to enable us to develop a risk based audit plan	Speed up the process
CPD program developed for approval by Skills Development Officer by June 2011	New project	New project	Approved CPD	CDP approved		Target achieved	Maintain the momentum
KEY PERFORMANCE AREA: Good Governance and Public Participation							
OBJECTIVE: To approve the draft IDP to comply with legislation							
Draft 2011/12 IDP approved by Council by March 2011	Draft 2010/11 IDP approved	Draft 2010/11 IDP approved	Draft 2011/12 IDP approved	Draft 2011/12 IDP approved		Target achieved	Maintain the momentum
OBJECTIVE: To table the IDP Process Plan to indicate key deadlines							
2011/12 IDP process plan tabled before Council by August 2010	2010/11 IDP process plan tabled	2010/11 IDP process plan tabled	2011/12 IDP process plan tabled	2011/12 IDP process plan tabled 28 August 2010		Target achieved	Maintain the momentum
OBJECTIVE: To enhance public participation to comply with legislation							
Number of rep forum meetings conducted by June 2011	3 Meetings	3 Meetings	3 Meetings	2 Meetings		Had to move rep forums due to Operation Patella of EM and elections	Maintain the momentum
Number community consultations meetings conducted by June 2011	3 Meetings	3 Meetings	3 Meetings	3 Meetings		Target achieved	Maintain the momentum



– Meets or exceeds target;









– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

DIRECTORATE: Infrastructure & Utilities						
KEY PERFORMANCE AREA: Basic Service Delivery & Infrastructure Development						
Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance		
OBJECTIVE: To maintain main sewer to ensure maintenance of main sewers throughout the year						
Km of main sewers cleaned in the KOSH area as per program by June 2011	15 Km	13 Km	15 Km	15 Km		Maintain the momentum
OBJECTIVE: To clean reservoirs to comply with legislation						
Number of reservoirs cleaned in the KOSH are by June 2011	39 Reservoirs	27 Reservoirs	39 Reservoirs	18 Reservoirs		Commence cleaning reservoirs from July 2011
OBJECTIVE: To approve building plans to comply with legislation						
Number of building plans approved in terms of the National Building Regulations by June 2011	500 Building Plans approved	600 Building Plans approved	700 Building Plans approved	1,130 Building Plans approved		Maintain the momentum
Number of building plan applications received for residential additions by June 2011	500 Building Plans received	638 Building Plans received	450 Building Plans received	736 Building Plans received		Maintain the momentum
OBJECTIVE: To registered and deregistered Title Deeds to ensure secure tenure and ownership of houses						
Number of Title Deeds of pre 1994 old stock houses transferred by June 2011	750 Title Deeds	None	2,900 Title Deeds R500,000	114 Title Deeds lodged R30,326.40		Speed up the process
De-registering completed by June 2011	New project	New project	R500,000	R0.00		Project will restart next financial year



– Meets or exceeds target;








– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

DIRECTORATE: Municipal & Social Services							
KEY PERFORMANCE AREA: Basic Service Delivery & Infrastructure Development							
Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To manage the airport effectively to comply with legislation							
Annual airport license approved by June 2011	Annual airport license approved	Annual airport license approved	Annual airport license approved	Annual airport license approved		Target achieved	Maintain the momentum
Number of inspections conducted at airport by June 2011	4 Inspections	4 Inspections	4 Inspections	4 Inspections		Target achieved	Maintain the momentum
OBJECTIVE: To present awareness programmes to promote library awareness amongst adults, learners and youth							
Number of awareness programmes presented at all KOSH libraries by June 2011	50 Awareness programmes	144 Awareness programmes	50 Awareness programmes	154 Awareness programmes		Over achieved	Maintain the momentum
Number of awareness programmes presented at schools in the KOSH area by June 2011	8 Awareness programmes	10 Awareness programmes	8 Awareness programmes	17 Awareness programmes		Over achieved	Maintain the momentum
Number of library interest events presented in the KOSH area by June 2011	8 Library interest events	19 Library interest events	8 Library interest events	15 Library interest events		Over achieved	Maintain the momentum



– Meets or exceeds target;








– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To implement heritage management to adhere to standards stipulated by SAHRA (South African Heritage Resources Agency) as required by the Heritage Resources Act (Act 25 of 1999)							
An inventory of heritage resources compiled in Stilfontein and Khuma by June 2011	New project	New project	Inventory compiled	Inventory completed R 72,575		Target achieved	Maintain the momentum
OBJECTIVE: To provide educational services to ensure community participation, empower unemployed youth, women and disabled persons and to capacitate learners							
Number of consultation sessions convened by June 2011	8 Consultation sessions	87 Consultation sessions	44 Consultation sessions	59 Consultation sessions		Over achieved	Maintain the momentum
Number of lifelong skills development programs presented June 2011	24 Programmes	33 Programmes	30 Programmes	34 Programmes		Over achieved	Maintain the momentum
OBJECTIVE: To manage heritage resources by promoting heritage awareness							
Number of heritage awareness projects convened Convening 8 heritage awareness projects by June 2011	8 Projects	8 Projects	8 Projects	9 Projects		Over achieved	Maintain the momentum
OBJECTIVE: To promote health status							
Number of health awareness campaigns conducted for Council employees by June 2012	New project	New project	8 Health awareness campaigns R100,000	8 Health awareness campaigns R100,000		Target achieved	Maintain the momentum



– Meets or exceeds target;









– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To adhere to Fire Codes and Regulations and comply with fire codes (SANS) and regulations							
Number of fire inspections conducted by June 2011	600 Fire inspections	853 Fire inspections	600 Fire inspections	1,304 Fire inspections		Over achieved	Maintain the momentum
OBJECTIVE: To promote fire safety							
Number of ward sessions conducted by June 2011	12 Ward sessions	13 Ward sessions	12 Ward sessions	10 Ward sessions		Availability of councillor's delayed the process	Due to elections the availability of councillor's delayed the process
OBJECTIVE: To effectively do revenue collection to ensure sound financial matters							
R value income collected from driver's licenses by June 2011	R3,636,343	R3,822,115	R4,199,210	R5,002,924		Target achieved	Maintain the momentum
R value income collected from vehicle registration and licensing / renewals by June 2011	R26,000,000	R40,927,162	R 51,100,200	R49,020,107		Depends on public renewals	Maintain the momentum
OBJECTIVE: To promote road safety							
Number of (K78) multi road blocks by June 2011	12 (K78) Multi road blocks	12 (K78) Multi road blocks	12 (K78) Multi road blocks	12 (K78) Multi road blocks		Target achieved	Maintain the momentum
Number of school campaigns conducted by June 2011	20 School campaigns	36 School campaigns	20 School campaigns	36 School campaigns		Over achieved	Maintain the momentum
OBJECTIVE: To collect revenue to ensure sound financial matters							
R value income collected from outstanding traffic fines by June 2011	R9,931,130	R6,092,634	R6,051,830	R8,107,647		Over achieved	Maintain the momentum



– Meets or exceeds target;








– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

DIRECTORATE: Financial Services							
KEY PERFORMANCE AREA: Basic Service Delivery & Infrastructure Development							
Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To manage audit queries to obtain reasonable explanations and to resolve							
Number of less enquiries received on audit exemption report from the Auditor General by November 2010	Less than 145 enquiries	Less than 129 enquiries	Less than 31 enquiries	137 Enquiries received		Converted to Caseware. Infrastructure assets not identified. Long outstanding debtors – no evidence	Established Clean Audit Teams. Appoint repeatable company to assist with assets and AFS
Number of received enquiries resolved on audit exemption report by June 2011	27 Received enquiries resolved	34 Received enquiries resolved	30 Received enquiries resolved	98 Received enquiries resolved		Target achieved	Maintain the momentum
OBJECTIVE: To reduce disclaimers to obtain a clean audit report							
% of Reducing the number of Disclaimers in Audit Report for the Financial year 09/10 to by June 2011	100%	50%	100%	67.88% (Received 137 audit queries and resolved 93)		Proof of evidence files. Process followed incorrect. Alignment between budget, IDP & PMS	Established Clean Audit Teams. Appoint repeatable company to assist with assets and AFS
OBJECTIVE: To manage audit queries to obtain reasonable explanations and to resolve							
Number of less enquiries received on audit exemption report from the Internal Auditors by June 2011	Less than 40 enquiries	Less than 35 enquiries	Less than 21 enquiries	2 Enquiries received		Target achieved	Maintain the momentum
Number of received enquiries resolved on audit exemption report by June 2011	40 Received enquiries resolved	35 Received enquiries resolved	20 Received enquiries resolved	9 Received enquiries resolved		Target achieved	Maintain the momentum



– Meets or exceeds target;







– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To approve the Budget in order to comply with legislation							
2010/11 Budget planning process time tabled by 31 August 2010	31 August 2009	25 August 2009	31 August 2010	2010/11 Budget planning process time tabled (CC91/2010 dated 31 August 2010)		Target achieved	Maintain the momentum
OBJECTIVE: To approved the Adjustment Budget to comply with legislation							
2010/11 Adjustment Budget approved by 25 January 2011	25 January 2010	Approved 2009/10 Adjustment Budget on 28 February 2010	25 January 2011	2010/11 Adjustment Budget approved (CC 15/2011 dated 22/02/2011)		Target achieved	Maintain the momentum
OBJECTIVE: To pay creditors promptly to indicate the payment of creditors							
R value of all payments (creditors) be done within 30 days of receipt of invoice / statement by June 2011	R6,000,000	R13,618,803	R13,618,803	R19,215,892		Lack of adherence to timeline	Intervention
OBJECTIVE: To establish an IT Organization to deliver an integrated IT service							
An ICT organization established Establishing an ICT organization for Council by December 2010	IT organization established	Not yet	ICT organization established	Not yet		LLF to finalize and Council to approve	Awaiting Council resolution



– Meets or exceeds target;









– Currently does not meet target;



– Project on hold;

2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To approve & implement a Disaster Recovery Plan to mitigate risks							
Disaster recovery plan approved Approving a disaster recovery plan by December 2010	Disaster Recovery Plan approved	Not yet	Approved Disaster Recovery Plan	Not yet		Money was re-allocated to another request to pay for consulting services	Request from savings elsewhere to fund the project
Disaster recovery plan implemented by December 2010	Disaster Recovery Plan implemented	Not yet	Disaster Recovery Plan implemented	Not yet		Money was re-allocated to another request to pay for consulting services	Request from savings elsewhere to fund the project
OBJECTIVE: To integrate systems to streamline and eliminate duplication							
ICT systems in council integrated by December 2010	Integrated ICT systems	Not yet	Integrated ICT systems	Not yet		Lack of funding	Source funding
OBJECTIVE: To audit & license software to comply with legislation							
All software audited and licensed by September 2010	Software audited & licensed	Not yet	Software audited & licensed R42,000	Software audited & licensed		Target achieved	Maintain the momentum
Register for all licenses and computers compiled by June 2011	New project	New project	Up-keeping of register	Register Kept		Target achieved	Maintain the momentum
OBJECTIVE: To develop and implement a departmental performance appraisal in order to ensure better service delivery							
Departmental performance appraisal system developed and implemented by June 2011	New project	New project	System Implemented	Not yet finalized		No union buy-in	Implement system for whole council



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2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To implement internal co-operation and control to ensure compliance with legislation							
Number of meetings of the Specification Committee conducted by June 2011	24 Meetings	26 Meetings	12 Meetings	9 Meetings		Pressure from departments to advertize projects	Departmental training on procedures to be conducted
Number of meetings of the Evaluation Committee conducted by June 2011	12 Meetings	30 Meetings	12 Meetings	28 Meetings		Over achieved	Maintain the momentum
Number of meetings of the Adjudication Committee conducted by June 2011	12 Meetings	28 Meetings	12 Meetings	16 Meetings		Over achieved	Maintain the momentum
DIRECTORATE: Corporate Governance							
KEY PERFORMANCE AREA: Good Governance and Public Participation							
OBJECTIVE: To hold section 79 & 80 committees meetings held to ensure better council performance							
Number of sec.79 committees meetings (Port folio Meetings) conducted by June 2011	108 - 11 sec.70 Meetings	103 - 11 sec.70 Meetings	121 - 11 sec.70 Meetings	113 - 11 sec.79 Meetings		No Committee meetings were held due to LG Elections	Meetings will commence after establishment of portfolio committees
OBJECTIVE: To hold section 79 & 80 committees meetings held to ensure better council performance							
Number of sec 80 committees meetings (Ad Hoc Meetings) conducted by June 2011	64 - sec 80 Ad Hoc Meetings	81 - sec 80 Ad Hoc Meetings	108 - sec 80 Ad Hoc Meetings	57 - sec 80 Ad Hoc Meetings		No Committee meetings were held due to LG Elections	Meetings will commence after establishment of portfolio committees



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2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To develop and enhance employee wellness							
Employee Wellness Programme developed by June 2011	Programme implemented	None	EW Program developed and implemented R300,000	Not yet		Terms of reference have been drafted in order to appoint a service provider	Speed up the process
OBJECTIVE: To comply with legislation							
HIV/Aids Programme developed for Council by June 2011	HIV/Aids Programme developed	None	HIV/Aids Programme developed	Draft 1-year HIV/ AIDS programme in place		No Committee meetings were held during May & June 2011, due to LG Elections	Meetings will commence after establishment of portfolio committees
OBJECTIVE: To develop Contracts of Employment to ensure better performance							
Contracts of Employment (Job Descriptions) developed by June 2011	Contracts of Employment developed	None	Contracts of Employment developed R250,000	Not yet		Awaiting outcome of SALGBC process on job descriptions submitted for verification	Speed up the process
OBJECTIVE: To appoint a Medical Specialist (Company) to comply with legislation							
Medical company appointed to conduct medical interviews with new appointees by December 2010	New project	New project	Medical company appointed R1,000,000	Not yet		Tender to be re-advertised, as spec have been reviewed	Roll-over requested
OBJECTIVE: To approve the Workplace Skills Plan to comply with legislation							
Number of employees trained on Employment Equity / non-discrimination by June 2011	500 Employees trained	555 Employees trained	45 Employees trained	45 Employees trained		Target achieved	Maintain the momentum
Number of EECF meetings conducted by June 2011	4 EECF meetings	4 EECF meetings	11 EECF meetings	10 EECF meetings		No Committee meetings were held during May & June 2011, due to LG Elections	Meetings will commence after establishment of portfolio committees



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2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To conduct OHS inspections to ensure legal compliance							
Number of OHS inspections in Council departments conducted by June 2011	12 OHS inspections	30 OHS inspections	12 OHS inspections	35 OHS inspections		Over achieved	Maintain the momentum
OBJECTIVE: To conduct OHS audits to ensure that all deviations be corrected according to the Act							
Number OHS audits conducted by June 2011	2 OHS Audits conducted	2 OHS Audits conducted	2 OHS Audits conducted	2 OHS Audits conducted		Target achieved	Maintain the momentum
OBJECTIVE: To develop a Communication Policy to create internal and external awareness on corporate communication							
Access to Information Policy developed by June 2011	New project	New project	Policy developed and implemented	Policy developed, but not implemented		No Committee meetings were held during May & June 2011, due to LG Elections	Meetings will commence after establishment of portfolio committees
Media Relations Policy developed by June 2011	New project	New project	Media Relations Policy developed	Not yet		No Committee meetings were held during May & June 2011, due to LG Elections	Meetings will commence after establishment of portfolio committees
Crises Communication Policy developed by June 2011	New project	New project	Crises Communication Policy developed	Not yet		No Committee meetings were held during May & June 2011, due to LG Elections	Meetings will commence after establishment of portfolio committees
City Branding Policy developed by June 2011	New project	New project	City Branding Policy developed	Not yet		No Committee meetings were held during May & June 2011, due to LG Elections	Meetings will commence after establishment of portfolio committees
Events Management Policy developed by June 2011	New project	New project	Events Management Policy developed	Not yet		No Committee meetings were held during May & June 2011, due to LG Elections	Meetings will commence after establishment of portfolio committees



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2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To distribute internal & external newsletters to ensure transparency with Council affairs							
Number of internal communiqués compiled & distributed to all employees of Council by June 2011	New project	New project	6 Internal communiqués	5 Internal communiqués		No communiqués compiled during time of elections (May/June)	Maintain the momentum
OBJECTIVE: To distribute internal & external newsletters to ensure transparency with Council affairs							
Number of external publications compiled & distributed regarding Council affairs to the community by June 2011	New project	New project	12 External publications	12 External publications		Target achieved	Maintain the momentum
OBJECTIVE: To conduct Mayoral Committee meetings to comply with legislation							
Number of Mayoral Committee meetings conducted by June 2011	11 Mayoral Committee	8 Mayoral & 21 Special Mayoral Committee meetings	11 Mayoral Committee	8 Mayoral & 19 Special Mayoral Committee meetings		Target achieved	Maintain the momentum
OBJECTIVE: To ensure effective Council administration and compliance with legislation							
Number of ordinary council meetings conducted Conducting 12 ordinary council meetings by June 2011	12 Ordinary Council meetings	12 Ordinary Council meetings	12 Ordinary Council meetings	13 Ordinary & 4 Special Council meetings		Over achieved	Maintain the momentum



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2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To motivate ward committees for quality performance							
Ward Committee Performance Awards facilitated by December 2010	Award facilitated	Award facilitated	Award facilitated	Award facilitated		Target achieved	Maintain the momentum
OBJECTIVE: To promote socio-economic well being of Councillors							
Councillor Coaching Programmers implemented by June 2011	Program developed	None	Program implemented	None		Awaiting guidance from SALGA	SALGA will still be perused
OBJECTIVE: To conducted Moral Re-generations workshops as per National legislation							
Number of moral re-generation workshops in KOSH conducted by June 2011	4 moral re-generation workshops	4 moral re-generation workshops	4 moral re-generation workshops	4 moral re-generation workshops		Event postponed by Single Whip	Maintain the momentum
DIRECTORATE: Economic Growth							
KEY PERFORMANCE AREA: Local Economic Development							
OBJECTIVE: To promote social economic development							
Feasibility report on township regeneration developed by June 2011	Report Developed	None	Report Developed	Not yet		Report was developed, but not accepted by National Treasury. New consultant appointed during March 2011.	Maintain the momentum
OBJECTIVE: To conduct consultations meeting to assist SMME's							
Number of LED consultation meetings conducted with stakeholders by June 2011	12 LED consultation meetings	12 LED consultation meetings	12 LED consultation meetings	17 LED consultation meetings		Target achieved	Maintain the momentum



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2010/11 Annual Performance Report

Indicator	Previous Financial Year 2009/10		Financial Year Under Review 2010/11		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
OBJECTIVE: To capacitate SMME's							
Number of SMME workshops conducted to capacitate SMME's by June 2011	4 SMME workshops	12 SMME workshops	4 SMME workshops	9 SMME workshops		Over achieved	Maintain the momentum
OBJECTIVE: To develop and support the SMME'S							
R value spent on a business case preparation for Airport Development at PC Pelser Airport Prepare a business case for Airport by June 2011	New project	New project	Business case completed R550,000	Business case completed, but not approved yet R550,000		No Committee meetings were held during May & June 2011, due to LG Elections	Meetings will commence after establishment of portfolio committees
OBJECTIVE: To conduct city marketing events to promote the city							
R value spent on marketing activities by June 2011	R4,559,250	R 3,226,365	R3,060,013	R 3,052,320		Target achieved	Maintain the momentum
OBJECTIVE: To collect income to ensure effective financial viability							
Total income collected from rentals by June 2011	R892,700	R 679,700	R748,290	R 703,800		Two stores & Mama's Kitchen not occupied	Advert to paper for lease
Total income collected from ripening rooms by June 2011	R486,330	R 299,821	R300,000	R 344,698		Target achieved	Maintain the momentum
Total income collected from market dues by June 2011	R8,000,000	R 10,890,250	R13,042,720	R 12,276,215		Market forces	Maintain the momentum
Total income collected from transport by June 2011	R70,000	R70,457	R59,510	R 58,777		Market forces	Maintain the momentum



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